

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF NUNAVUT
FOR THE YEAR ENDED MARCH 31, 2025

HONOURABLE JOHN MAIN

Minister of Finance



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**THE HONOURABLE EVA QAMANIQ AARIAK
COMMISSIONER OF NUNAVUT**

I have the honour to present the Public Accounts of the Government of Nunavut for the fiscal year ended March 31, 2025. I would ask that these accounts be laid before the Legislative Assembly in accordance with the *Financial Administration Act*, R.S.N.W.T. 1988, c.F-4, S. 74 as amended, and duplicated for Nunavut, and the *Nunavut Act*, S.C. 1993, C.28, s.44.



The Honourable John Main
Minister of Finance

Government of Nunavut
Iqaluit, Nunavut

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
March 31, 2025

Table of Contents	Page
INTRODUCTION	1
<u>SECTION I - FINANCIAL STATEMENT DISCUSSION AND ANALYSIS</u>	3
Executive Summary	5
Revenues and Expenses	7
Summary of Significant Risks and Uncertainties	10
Indicators of Financial Condition	11
<u>SECTION II - CONSOLIDATED FINANCIAL STATEMENTS</u>	15
Management Responsibility For Financial Reporting	17
Independent Auditor's Report	18
Consolidated Statement of Financial Position	23
Consolidated Statement of Operations and Accumulated Surplus	24
Consolidated Statement of Change in Net Financial Assets	25
Consolidated Statement of Cash Flow	26
Notes to Consolidated Financial Statements	27
Schedule A - Consolidated Schedule of Revenues by Source	43
Schedule B - Consolidated Schedule of Tangible Capital Assets	44
Schedule C - Consolidated Schedule of Segmented Information	45
<u>SECTION III - NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)</u>	47
Non-Consolidated Statement of Financial Position	49
Non-Consolidated Statement of Operations and Accumulated Surplus	50
Non-Consolidated Statement of Change in Net Financial Assets	51
Non-Consolidated Statement of Cash Flow	52
Notes to Non-Consolidated Financial Statements	53
Schedule A - Non-Consolidated Schedule of Revenues by Source	70
Schedule B - Non-Consolidated Schedule of Expenses	71
Schedule B.1 - Non-Consolidated Schedule of Expenses Funded under Approved Appropriations	72
Schedule B.2 - Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements	75
Schedule B.3 - Non-Consolidated Schedule of Expenses Funded by Revolving Funds	76
Schedule C - Non-Consolidated Schedule of Tangible Capital Assets	77
<u>Supplementary Schedules to Non-Consolidated Financial Statements (unaudited)</u>	
Schedule 1 - Non-Consolidated Schedule of Recoveries of Prior Years Expenditures	78
Schedule 2 - Non-Consolidated Schedule of Special Warrants	79
Schedule 3 - Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000	80
Schedule 4 - Non-Consolidated Schedule of Write-offs and Student Loan Remissions	83
Schedule 5 - Non-Consolidated Schedule of Contractual Obligations under Operating Leases	84

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GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Introduction to the Public Accounts of Nunavut****March 31, 2025**

These consolidated financial statements, presented through the publication of the Public Accounts, are prepared to meet the financial reporting requirements in Canada's *Nunavut Act* and Nunavut's *Financial Administration Act*. The consolidated financial statements present summary information and serve as a means for the Government of Nunavut (the Government) to show its accountability for the resources, obligations and financial affairs for which it is responsible. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments; except those specifically authorized by statute.

These consolidated financial statements are prepared by the Department of Finance in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada. Please refer to the Notes to Consolidated Financial Statements for details of the significant accounting policies that have been used in the preparation of the consolidated financial statements.

The reporting entity of the Government of Nunavut includes all departments, agencies, corporations, organizations, and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity for these consolidated financial statements, except for the Workers' Safety and Compensation Commission (WSCC). Since the Government does not control or have access to the WSCC's assets or responsibility for its obligations, it is excluded from the Government's financial reporting entity. All entities included in the reporting entity, except Nunavut Lottery, are fully consolidated on a line-by-line basis. Significant transactions and balances between fully consolidated entities are eliminated. Nunavut Lottery is accounted for as a government business partnership on a modified equity basis.

Canadian public sector accounting standards require a government to present in its consolidated financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned. The consolidated budget figures are the appropriations approved by the Legislative Assembly and the approved budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses. They represent the Government's original consolidated fiscal plan for the year and do not reflect supplementary appropriations.

The Department of Finance publishes the Public Accounts, as well as the Main Estimates and Capital Estimates, for this year and those of past years, in PDF format at the following addresses:

<http://www.gov.nu.ca/finance/information/public-accounts>

<https://www.gov.nu.ca/information/budgets-and-business-plans>

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SECTION I
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Financial Statement Discussion and Analysis
for the year ended March 31, 2025
(in thousands of dollars)

Executive Summary

This financial statement discussion and analysis (FSDA) has been prepared by the Government of Nunavut (GN) to provide additional information related to its financial position, changes in its financial position and its performance. The FSDA should be read in conjunction with the GN's consolidated financial statements for the fiscal year ended March 31, 2025. Financial highlights for the current and prior period are provided below.

Financial Highlights

Consolidated Statement of Financial Position	2025	2024
Total Financial Assets	\$ 2,302,307	\$ 2,130,491
Less: Total Liabilities	1,560,276	1,394,703
Net Financial Assets	742,031	735,788
Tangible Capital Assets	3,074,460	2,888,325
Other Non-Financial Assets	79,640	75,088
Total Non-Financial Assets	3,154,100	2,963,413
Accumulated Surplus	\$ 3,896,131	\$ 3,699,201

Consolidated Statement of Operations	2025 Budget	2025	2024
Revenue from the Government of Canada	\$ 2,710,151	\$ 2,719,753	\$ 2,665,105
Revenue generated by the Government of Nunavut	599,407	750,983	639,914
Total Revenues	3,309,558	3,470,736	3,305,019
Less: Total Expenses	3,266,133	3,273,806	2,952,927
Surplus for the Year	\$ 43,425	\$ 196,930	\$ 352,092

Consolidated Statement of Change in Net Financial Assets	2025	2024
Net Financial Assets, Beginning of Year	\$ 735,788	\$ 527,630
Surplus for the Year	196,930	352,092
Change in Tangible Capital Assets	(186,135)	(134,462)
Change in Other Non-Financial Assets	(4,552)	(9,472)
Total Increase in Net Financial Assets	6,243	208,158
Net Financial Assets, End of Year	\$ 742,031	\$ 735,788

As of March 31, 2025, the GN maintained a strong net financial asset position while continuing to invest in tangible capital assets. Net financial assets increased by \$6.2M, supported by an operating surplus of \$196.9M—\$153.5M above the budgeted surplus. This positive variance was primarily driven by higher-than-anticipated revenues totaling \$161.2M, with \$60.9M of that increase attributable to proceeds from the tobacco settlement. These payments are expected to be received for the next 20 years. There is significant uncertainty relating to the amount and timing of these future payments as they are dependent on the profitability of the tobacco companies and the sale of their products. Actual revenue may vary from this estimate.

GN revenues were higher than expected, contributing \$151.6M above the budgeted amount for the period. On the expenditure side, increased spending in Health (\$198.5M), Family Services (\$39.7M), and Housing (\$28.9M) was offset by lower-than-budgeted spending in Community and Government Services (\$112.3M), Finance (\$89.3M), and Economic Development and Transportation (\$35.4M). These departments represented the most significant variances in expenditures compared to the 2025 budget.

GOVERNMENT OF NUNAVUT

PUBLIC ACCOUNTS

Financial Statement Discussion and Analysis

for the year ended March 31, 2025

(in thousands of dollars)

The GN continued to experience strong revenue growth in 2025, with total revenues increasing by \$165.7M compared to 2024. Revenues from the Government of Canada rose by 2.1% (\$54.7M), driven by a 7.0% (\$138.0M) increase in Territorial Formula Financing, which reflects the formula's annual adjustment to address rising public service costs. This was partially offset by a 12.0% (\$83.4M) decline in Other Transfers from the Government of Canada. GN own-source revenues grew by 17.4% (\$111.1M), primarily due to a 112.9% (\$73.5M) increase in other revenues, largely attributed to \$60.9M in tobacco settlement proceeds. Additional growth came from a 7.5% (\$13.0M) increase in petroleum product sales and a 78.2% (\$12.0M) rise in corporate income tax revenue. These gains were partially offset by declines in Investment income down 36.7% (\$20.6M), Insurance proceeds down 99.1% (\$7.5M) and Transfers under third-party funding agreements down 64.2% (\$1.4M).

Consistent with trends in other jurisdictions, GN expenses continued to rise in 2025, increasing by 10.9% (\$320.9M) over the prior year. The majority of this growth was concentrated in five departments: Health (\$118.2M), Community and Government Services (\$81.5M), Housing (\$28.8M), Family Services (\$23.5M). Health spending grew due to inflation and changing demographic, which drove up demand for medical services and costs for travel—largely from medevac-related air charters. Community and Government Services saw higher costs from inflation, increased service demand, and infrastructure investments, including licensing fees, insurance premiums, utilities, and service contracts. Housing expenditures increased across Public and Staff Housing programs due to rising operating costs. Family Services spending rose as well, driven by higher operating and contracted service expenses to meet community needs.

The Conference Board of Canada anticipates a temporary 0.8% contraction in Nunavut's real GDP in 2025, primarily due to reduced production at the Mary River Iron Mine. Despite this short-term decline, the Government of Nunavut (GN) continues to face structural fiscal pressures, including global commodity price volatility, demographic trends increasing demand for public services, a persistently high unemployment rate compared to the national average, and aging infrastructure. The GN remains committed to long-term fiscal sustainability through strategic initiatives such as expanding the territorial tax base, supporting residents and businesses, and investing in critical infrastructure. In 2025, the GN invested \$339.0M in tangible capital asset additions to strengthen service delivery and enhance economic resilience across the territory.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Financial Statement Discussion and Analysis
for the year ended March 31, 2025
(in thousands of dollars)

Revenues and Expenses - Variances

Revenue Variance Analysis

	2025		2024		Budget to Actual		Actual to Actual	
	Budget	Actual	Actual	\$ Variance	% Variance	\$ Variance	% Variance	
Territorial Formula Financing	\$ 2,109,474	\$ 2,109,474	\$ 1,971,420	\$ -	0.0%	\$ 138,054	7.0%	
Other Transfers from the Government of Canada	600,677	610,279	693,685	9,602	1.6%	(83,406)	-12.0%	
Revenues Generated by the Government of Nunavut	599,407	750,983	639,914	151,576	25.3%	111,069	17.4%	
Total Revenue	\$ 3,309,558	\$ 3,470,736	\$ 3,305,019	\$ 161,178		\$ 165,717		

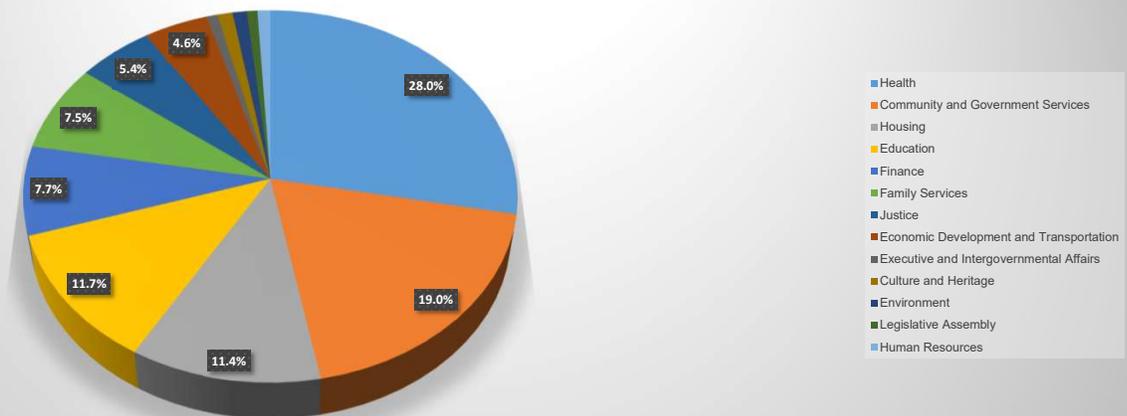
Budget to Actual

For the fiscal year ended March 31, 2025, actual revenues exceeded budgeted expectations by \$161.2 million. This positive variance was primarily driven by increased own-source revenues, which contributed \$151.6 million (25.3%) to the overall increase. A significant portion of this increase stemmed from \$60.9 million in tobacco settlement proceeds. Tax revenues (Personal, Corporate, Payroll, Tobacco, Fuel, Property & Insurance) also surpassed budget estimates. In addition, transfers from the Government of Canada added \$9.6 million (1.6%), largely due to increased funding under cost-sharing agreements.

Actual to Actual

Total revenue for the year increased by \$165.7M compared to the prior year. Revenues from the Government of Canada rose by \$54.6M, driven by a 7.0% (\$138.1M) increase in Territorial Formula Financing, partially offset by a 12.0% (\$83.4M) decline in Other Transfers. GN own-source revenues grew by \$111.1M, supported by a 7.5% (\$13.0M) increase in petroleum product sales, a 112.9% (\$73.5M) rise in other revenues, and a 138.1% (\$14.6M) increase in interest earned on cash deposits. These gains were offset by a 36.7% (\$20.5M) decrease in investment income, a 99.1% (\$7.5M) drop in insurance proceeds and a decrease of 64.2% (\$1.4M) in transfers under third-party funding agreements. Overall, GN own-source revenues increased by 17.4% year-over-year.

Expense by Department



Expense Variance Analysis

	2025		2025 Percent of Total	2024		Budget to Actual		Actual to Actual	
	Budget	Actual		Actual	\$ Variance	% Variance	\$ Variance	% Variance	
Health	\$ 719,169	\$ 917,668	28.0%	\$ 799,484	\$ 198,499	27.6%	\$ 118,184	14.8%	
Community and Government Services	733,861	621,533	19.0%	540,012	(112,328)	-15.3%	81,521	15.1%	
Housing	345,804	374,696	11.4%	345,938	28,892	8.4%	28,758	8.3%	
Education	385,733	382,088	11.7%	360,898	(3,645)	-0.9%	21,190	5.9%	
Finance	341,971	252,656	7.7%	239,900	(89,315)	-26.1%	12,756	5.3%	
Family Services	207,264	246,933	7.5%	223,430	39,669	19.1%	23,503	10.5%	
Justice	181,343	177,481	5.4%	170,419	(3,862)	-2.1%	7,062	4.1%	
Economic Development and Transportation	186,388	151,010	4.6%	131,256	(35,378)	-19.0%	19,754	15.0%	
Executive and Intergovernmental Affairs	28,181	25,799	0.8%	25,286	(2,382)	-8.5%	513	2.0%	
Culture and Heritage	38,505	35,472	1.1%	32,097	(3,033)	-7.9%	3,375	10.5%	
Environment	32,981	33,451	1.0%	31,676	470	1.4%	1,775	5.6%	
Legislative Assembly	30,531	24,797	0.8%	24,432	(5,734)	-18.8%	365	1.5%	
Human Resources	34,402	30,222	0.9%	28,099	(4,180)	-12.2%	2,123	7.6%	
Total Expenses	\$ 3,266,133	\$ 3,273,806	100%	\$ 2,952,927	\$ 7,673	0.23%	\$ 320,879	10.87%	

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Financial Statement Discussion and Analysis
for the year ended March 31, 2025
(in thousands of dollars)

Budget to Actual

Total expenses exceeded the approved budget by \$7.7M, primarily due to increased spending in Health, Family Services, and Housing. This overage was driven by heightened demand for medical and social services, increased staffing requirements, rising operational costs influenced by inflation, and greater reliance on service contracts to maintain essential programs. These pressures collectively accounted for the majority of the variance. However, the overall impact was partially mitigated by cost savings in Community and Government Services, Economic Development and Transportation, and Finance, which resulted from delays in program implementation and procurement activities.

Actual to Actual

Total expenses increased by \$320.9M in 2025 compared to the prior year. Of this growth, Health accounted for \$118.2M, Community and Government Services for \$81.5M, Housing for \$28.8M, and Family Services for \$23.5M. Collectively, these four departments contributed \$252.0M to the overall increase.

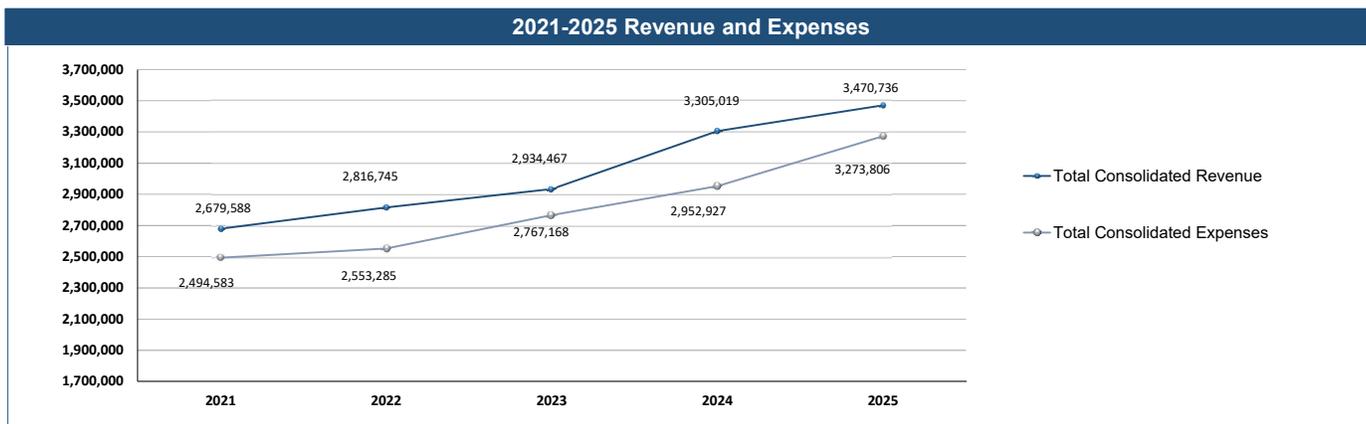
The rise in Health expenditures was primarily driven by demographic and economic pressures. A growing population led to increased demand for medical services, while inflation elevated the cost of medical commodities and equipment. Medical travel expenses—including air charter, airfare, and accommodation—also rose significantly. Notably, air charter costs surged due to an increase in medevac amendments, reflecting expanded service needs and greater reliance on emergency medical transport.

Community and Government Services experienced increased spending largely due to inflationary trends and heightened service demands. Key cost drivers included higher licensing fees, increased insurance premiums on leased assets, elevated utility costs, and expanded use of service contracts to support operational requirements. In addition, capital expenditures rose to advance strategic infrastructure investments and enhance service delivery.

Housing reported increased expenditures across both Public Housing and Staff Housing programs, primarily attributed to rising operating costs. Family Services also experienced elevated spending, driven by increased operating expenses—including contracted services—to meet evolving community needs.

Revenues and Expenses - Trends

The following chart represents the GN's total consolidated revenues and expenses for the last five years:

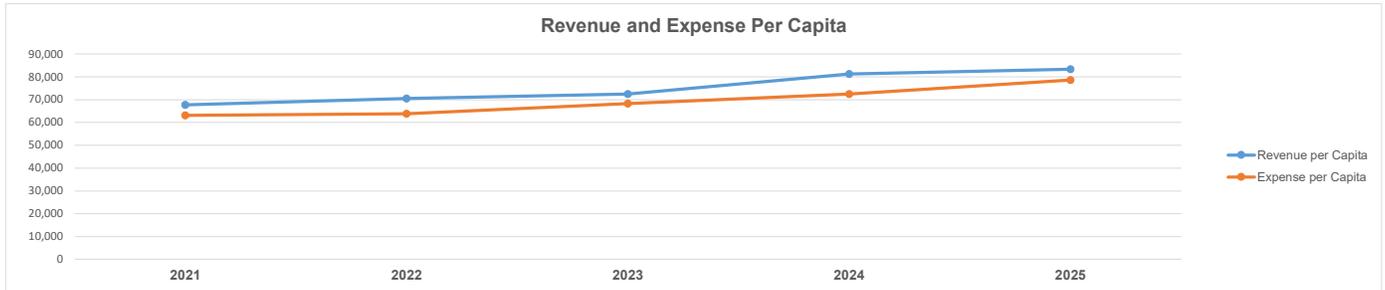


Results of Operations

	2021	2022	2023	2024	2025	5 Yr Avg
Revenue	\$ 2,679,588	\$ 2,816,745	\$ 2,934,467	\$ 3,305,019	\$ 3,470,736	
Expenses	2,494,583	2,553,285	2,767,168	2,952,927	3,273,806	
Surplus for the Year	\$ 185,005	\$ 263,460	\$ 167,299	\$ 352,092	\$ 196,930	
Annual Revenue Growth	8.9%	5.1%	4.2%	12.6%	5.0%	7.2%
Annual Expense Growth	4.9%	2.4%	8.4%	6.7%	10.9%	6.6%

The GN has operating results have produced surpluses in each of the last five years. Annual revenue growth has averaged 7.2% over this period while growth in expenses has averaged 6.6%.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Financial Statement Discussion and Analysis
for the year ended March 31, 2025
(in thousands of dollars)



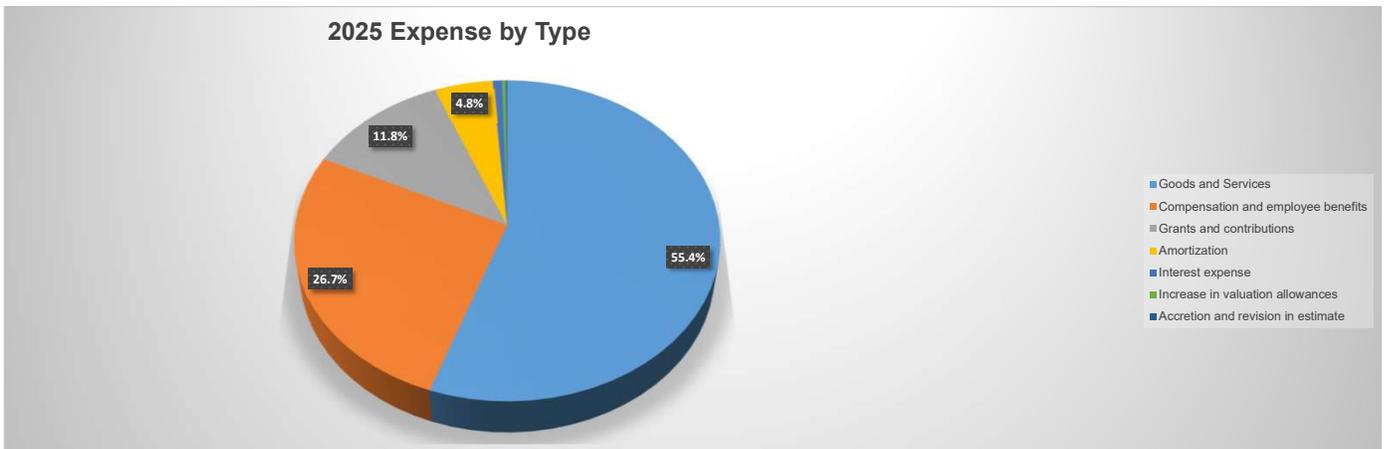
Revenue and Expenses per Capita	2021	2022	2023	2024	2025	
Population	39,536	40,003	40,521	40,721	41,651	
Revenue per Capita	67,776	70,413	72,418	81,163	83,329	
Expense per Capita	63,096	63,827	68,290	72,516	78,601	
Population Growth	0.1%	1.2%	1.3%	0.5%	2.3%	1.1%
Per Capita Revenue growth	8.8%	3.9%	2.8%	12.1%	2.7%	6.1%
Per Capita Expense growth	4.7%	1.2%	7.0%	6.2%	8.4%	5.5%

[Statistics Canada, Table 17-10-0009-01 Population estimates, quarterly](#)

The GN continues to face challenges with rising costs which results in the GN continuing to spend more each year in total and on a per capita basis on its programs and services. On average, per capita revenue and expenses have grown faster than the population over the past five years. The population has grown by an average of 1.1% per year while per capita revenue and expenses have increased by an average of 6.1% and 5.5% respectively over this five year period.

Expense by Type

Spending on compensation and benefits and goods and services account for the approximately 82.1% of GN's expenditures. The majority of the annual growth in GN's expenses is also attributed to these accounts and this trend is expected to continue.



Expense by Type	2021	2022	2023	2024	2025	2025 Percent of Total
Goods and Services	\$ 1,257,301	\$ 1,294,625	\$ 1,439,857	\$ 1,633,157	\$ 1,812,984	55.4%
Compensation and employee benefits	777,752	777,373	831,831	823,758	875,646	26.7%
Grants and contributions	299,950	311,232	301,468	383,900	386,133	11.8%
Amortization	133,904	143,136	153,512	153,564	158,770	4.8%
Interest expense	17,443	16,217	21,843	26,919	25,177	0.8%
Increase in valuation allowances	4,702	6,065	12,390	1,366	10,310	0.3%
Accretion and revision in estimate		4,637	4,766	(70,451)	3,721	0.1%
Loss on disposal / write-down of tangible capital assets	3,531	-	1,501	714	1,065	0.0%
Total	\$ 2,494,583	\$ 2,553,285	\$ 2,767,168	\$ 2,952,927	\$ 3,273,806	100%
Top two expense categories as a percentage of total expenses	81.6%	81.2%	82.1%	83.2%	82.1%	

Summary of Significant Risks and Uncertainties

The Government of Nunavut is exposed to risks and uncertainties that can affect its financial position, changes in its financial position, and future operations. The GN is responsible for setting and applying risk management policies and procedures to manage significant risks and uncertainties and is fully accountable for outcomes. The following risks and uncertainties are considered significant:

- » High reliance on funding from the Government of Canada
- » Impact of changes in the economy, access to resources, and demographic changes
- » Unknown effects of climate change (ex. infrastructure damage, natural resource development, water shortages, etc.)
- » Impairment of and timely replacement of significant infrastructure such as roads, airfields, power plants, water systems and petroleum storage facilities
- » Exposure to interest rate, market, and credit risk
- » Uncertainty related to the measurement and valuation of financial assets and liabilities due to the use of accounting and other estimates such as those related to asset retirement obligations and contaminated sites

The Government of Nunavut actively monitors and manages risks and uncertainties in order to make informed decisions, make effective use of available resources, and to enhance strategic and contingency planning. The GN tailors its risk management policies and practices to take into account the scope, size, and nature of risk exposures. The GN is currently monitoring these risks and uncertainties and, to the extent possible, developing and implementing plans to mitigate the exposure and/or impact.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Financial Statement Discussion and Analysis
for the year ended March 31, 2025
(in thousands of dollars)

Indicators of Financial Condition

Changes in a government's financial position and its results of operations are important in assessing financial condition and performance during the reporting period, however, it is not the only measure of a government's overall financial health. Sustainability, flexibility and vulnerability are also important indicators of fiscal health and changes to it. While these measures are important, they must be considered in light of the many risks and exposures over which a government has no control. These would include items such as changing global economic and financial conditions, changes in federal transfer programs, and emergencies such as natural disasters and pandemics.

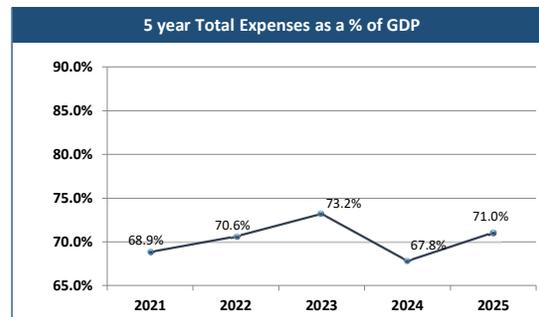
Although many indicators are available, the following sections discuss the more relevant measures and are intended to improve transparency and provide a clearer understanding of the GN's financial condition and performance.

Sustainability

Sustainability indicates a government's ability to maintain its existing programs and services and meet its financial obligations without the need to increase revenues or incur debt. This indicator provides insight into the sustainability of government practices of generating revenues and incurring expenses.

- **Total Expenses as a Percentage of GDP.** This indicator compares the growth rate of the GN's spending to the rate of economic growth (GDP) in Nunavut. In 2025, the GN's ratio was 71.0%, indicating that government spending represented 71.0% of Nunavut's GDP for the period. The ratio increased from 2021 to 2023 and again in 2025, largely due to slower economic growth relative to spending. In 2022 and 2023, GN spending grew at a faster pace than the economy, a trend primarily driven by the impacts of the pandemic. Over the past five years, the economy has grown at a slower pace than GN spending. This trend presents an opportunity for the GN to strengthen its revenue base and reduce reliance on Federal Transfers.

March 31	Growth in Expenses	Total Expenses	Nunavut Real GDP	Total Expenses to GDP
2021	4.9%	2,494,583	3,623,000	68.9%
2022	2.4%	2,553,285	3,616,000	70.6%
2023	8.4%	2,767,168	3,780,000	73.2%
2024	6.7%	2,952,927	4,355,000	67.8%
2025	10.9%	3,273,806	4,608,000	71.0%
\$ change, 2024 to 2025		320,879	253,000	
% change, 2024 to 2025		10.9%	5.8%	
\$ change, 5 year trend		779,223	985,000	
% change, 5 year trend		31.2%	27.2%	



Source: Statistics Canada, System of National Accounts, Table # 36-10-0402-01. "Nunavut Real Gross Domestic Product by Industry"
 Forecasted Real GDP for 2025 was based on the projection of the Key Economic Indicators in GN's Budget 2024-25.

The Conference Board of Canada (CBOC) forecasts continued economic growth for Nunavut, with real GDP expected to increase by 5.9% in 2026. The mining sector remains a key driver of the territory's economy, accounting for approximately one-third of real GDP. Planned infrastructure investments, including the development of a new port, are anticipated to enhance access to remote regions, facilitate natural resource development, and generate economic opportunities for local communities. Despite these positive developments, Nunavut's unemployment rate remains above the national average and is expected to persist as a significant challenge in the years ahead.

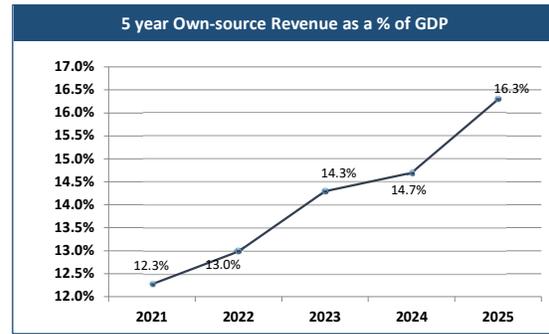
Flexibility

Flexibility indicates a government's ability to either expand its revenues or increase debt to meet existing financial obligations and to provide programs and services. Flexibility provides insight into how a government manages its finances.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Financial Statement Discussion and Analysis
for the year ended March 31, 2025
(in thousands of dollars)

- **Own-Source Revenue as a Percentage of GDP.** Own-source revenue as a percentage of GDP indicates the extent to which the government is generating funds through taxation, user fees and other charges. A declining ratio indicates a government is taking less out of the economy relative to the growth in the economy leaving a government with a greater degree of flexibility to respond to changing circumstances.

March 31	Own-source revenue	Nunavut Real GDP	Own-source revenue to GDP
2021	444,606	3,623,000	12.3%
2022	469,505	3,616,000	13.0%
2023	540,234	3,780,000	14.3%
2024	639,914	4,355,000	14.7%
2025	750,983	4,608,000	16.3%
\$ change, 2024 to 2025	111,069	253,000	
% change, 2024 to 2025	17.4%	5.8%	
\$ change, 5 year trend	306,377	985,000	
% change, 5 year trend	68.9%	27.2%	

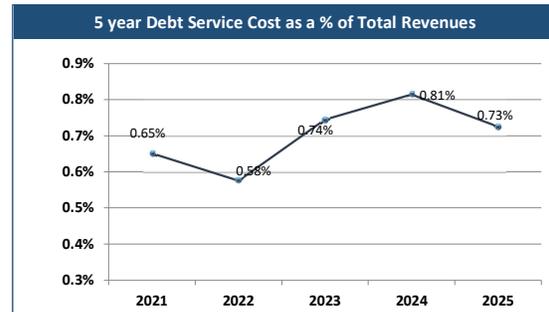


Source: Statistics Canada, System of National Accounts, Table # 36-10-0402-01. "Nunavut Real Gross Domestic Product by Industry"
 Forecasted Real GDP for 2025 was based on the projection of the Key Economic Indicators' in GN's Budget 2024-25.

Over the past five years, the GN's own-source revenue has steadily increased with the current year's growth primarily driven by proceeds from a tobacco settlement, petroleum product sales, and interest earned on cash deposits. While most Canadian jurisdictions rely heavily on taxation as their primary revenue source, Nunavut's personal, corporate, and other taxes represented only 25.3% (\$190.2 million) of total consolidated own-source revenue in 2025, compared to 25.0% (\$159.8 million) in 2024. The GN continues to pursue strategies to expand its tax base and strengthen its own-source revenue capacity, with the goal of reducing reliance on federal transfers over time.

- **Debt Service Cost as a Percentage of Total Revenues.** This ratio indicates how much of a government's current revenues will be needed to finance past borrowing decisions. If current revenues are needed to fund past borrowing, they are not available to fund current and future programs and services to residents.

March 31	Debt Service Costs	Total Revenue	Debt cost to revenue
2021	17,443	2,679,588	0.65%
2022	16,217	2,816,745	0.58%
2023	21,843	2,934,467	0.74%
2024	26,919	3,305,019	0.81%
2025	25,177	3,470,736	0.73%
\$ change, 2024 to 2025	(1,742)	165,717	
% change, 2024 to 2025	-6.5%	5.0%	
\$ change, 5 year trend	7,734	791,148	
% change, 5 year trend	44.3%	29.5%	

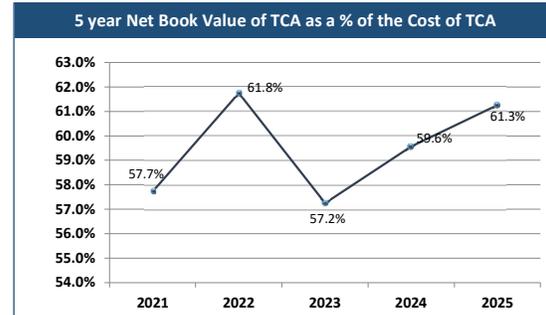


Over the past five years, the GN's debt service cost-to-revenue ratio has remained stable, ranging from 0.65% in 2021 to 0.73% in 2025. Although the ratio decreased in 2025 compared to 2024, it remains relatively low, indicating that interest costs are not placing significant pressure on the GN's financial resources. This low ratio provides the GN with greater fiscal flexibility. As of March 31, 2025, the GN had an authorized borrowing limit of \$1,050.0 million, with \$717.0 million still available (Note 15).

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Financial Statement Discussion and Analysis
for the year ended March 31, 2025
(in thousands of dollars)

- **Net Book Value of Tangible Capital Assets as a Percentage of the Cost of Tangible Capital Assets.** This ratio measures the estimated useful life of a government's tangible capital assets. A decreasing ratio indicates that tangible capital assets are aging and are not being replaced as fast as they are being used. An aging pool of tangible capital assets indicates a potential for increased repairs and maintenance costs in the future as well as the potential need to replace a significant amount of tangible capital assets.

March 31	Total net book value of TCA	Total Cost of TCA	NBV to cost of TCA
2021	2,627,919	4,552,520	57.7%
2022	2,746,086	4,446,611	61.8%
2023	2,753,863	4,810,736	57.2%
2024	2,888,325	4,849,288	59.6%
2025	3,074,460	5,019,012	61.3%
\$ change, 2024 to 2025	186,135	169,724	
% change, 2024 to 2025	6.4%	3.5%	
\$ change, 5 year trend	446,541	466,492	
% change, 5 year trend	17.0%	10.2%	



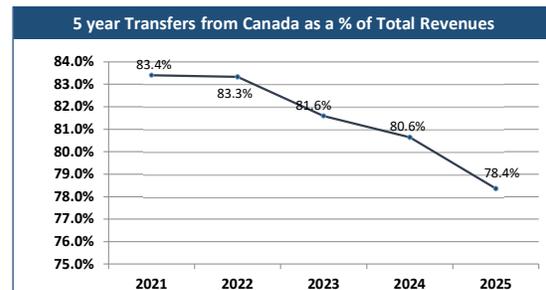
The GN's ratio of net book value to the total cost of tangible capital assets continues to decline, reflecting the aging of its asset base. As assets age, repair and maintenance costs tend to rise, reducing the funds available for other programs and services. An aging infrastructure also poses risks to future program delivery, as older assets become less reliable and more prone to failure. Recognizing these challenges, the GN continues to actively monitor asset conditions and invest strategically in its tangible capital assets to support long-term service sustainability.

Vulnerability

Vulnerability indicates the degree to which a government is dependent on, and therefore vulnerable to, sources of funding outside of its control or influence. This indicator shows the extent of reliance that a government has on external sources of funding which could affect its ability to provide programs and services and meet existing commitments if the level of funding were to change. The higher the ratio, the greater the risk and less control a government has over its revenues.

- **Transfers from Canada as a Percentage of Total Revenue.** This ratio measures the degree of dependence a government has on the Government of Canada. A decreasing ratio indicates a lesser degree of reliance on the Federal Government.

March 31	Total Transfers from Canada	Total GN Revenues	Transfers from Canada to GN revenue
2021	2,234,982	2,679,588	83.4%
2022	2,347,240	2,816,745	83.3%
2023	2,394,233	2,934,467	81.6%
2024	2,665,105	3,305,019	80.6%
2025	2,719,753	3,470,736	78.4%
\$ change, 2024 to 2025	54,648	165,717	
% change, 2024 to 2025	2.1%	5.0%	



The ratio of transfers from the Government of Canada to total GN revenue has steadily decreased over the past five years, and on average account for approximately 81.5% of the GN's total revenue. Transfers from the Government of Canada increased in 2021 due to an increase in pandemic related support. Pandemic related funding has since decreased, but overall funding from the Government of Canada has increased over the prior year through the Territorial Financing Formula and other transfers. The GN remains highly dependent on federal sources of funding and is vulnerable to changes in the level of funding. The GN recognizes this high degree of reliance and is pursuing ways to increase its own source revenues without raising tax rates.

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SECTION II
CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The Government, through the Department of Finance, is responsible for the preparation of these consolidated financial statements for the Government of Nunavut, and related information contained in the Public Accounts.

The Government, through the Department of Finance, is responsible to prepare the consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS), which represent generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board of Canada and to ensure compliance with applicable authorities. Where Canadian PSAS permits alternative accounting methods, management has chosen those it believes are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these consolidated financial statements.

The Government, through the Department of Finance, is responsible for maintaining systems of financial management, while all departments are responsible for implementing and maintaining the internal control. Where necessary, these systems are enhanced and modified to support the provision of accurate information, safeguarding and control of the Government's assets, and ensuring all transactions are in accordance with Nunavut's *Financial Administration Act*.

The Legislative Assembly, through its Standing Committee on Oversight of Government Operations and Public Accounts, is responsible to review the tabled Public Accounts and make recommendations where appropriate, to improve financial management, financial reporting practices and the systems of internal control. Management is responsible to review these recommendations and take action where appropriate.

The Government's independent external auditor, the Auditor General of Canada, is responsible to conduct an annual audit of the consolidated financial statements and to examine transactions that have come to its notice to ensure that they are, in all material respects, within the statutory powers of the Government and those organizations included in the consolidation. The Auditor General's opinion is accompanying the consolidated financial statements.



Daniel Young
Deputy Minister of Finance



Ibrahim Suleiman, MBA, CPA
Comptroller General

December 12, 2025



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Nunavut

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Government of Nunavut and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Sections I and II of the 2024–25 Public Accounts of the Government of Nunavut, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or

otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Government of Nunavut and its controlled entities coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Nunavut Act*, the *Financial Administration Act* of Nunavut and regulations, and the specific operating authorities disclosed in Note 1 to the consolidated financial statements.

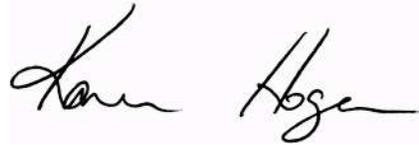
In our opinion, the transactions of the Government of Nunavut and its controlled entities that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Government of Nunavut and its controlled entities' compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Government of Nunavut and its controlled entities to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

A handwritten signature in black ink, appearing to read "Karen Hogan", is written on a light pink rectangular background.

Karen Hogan, FCPA
Auditor General of Canada

Ottawa, Canada
12 December 2025

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Financial Position
as at March 31, 2025
(in thousands of dollars)

	Note	2025	2024
Financial assets			
Cash and cash equivalents	4	1,260,620	511,876
Portfolio and other investments	5	296,323	787,665
Accounts receivable	6	514,280	573,767
Inventories for resale	7(a)	205,127	239,916
Condominiums held for resale	8	453	-
Loans receivable	9	25,504	17,267
Total financial assets		2,302,307	2,130,491
Liabilities			
Bank indebtedness	10	25	10,035
Accounts payable and accrued liabilities	11	705,407	571,688
Deferred revenues	12	271,789	215,810
Liability for contaminated sites	13	9,084	10,102
Liabilities for pension and other employee benefits	14	128,062	125,350
Long-term debt	15	136,221	162,407
Liability for Iqaluit International Airport	16	143,045	145,441
Capital lease obligations	17	28,871	35,400
Liability for Nunavut Energy Management Program	18	24,828	15,758
Asset retirement obligations	19	112,944	102,712
Total liabilities		1,560,276	1,394,703
Net financial assets		742,031	735,788
Non-financial assets			
Tangible capital assets (Schedule B)		3,074,460	2,888,325
Condominiums held for resale	8	-	2,489
Housing under development for resale		3,775	-
Inventories for use	7(b)	47,238	44,214
Advance on contract	28	17,469	20,209
Prepaid expenses		11,158	8,176
Total non-financial assets		3,154,100	2,963,413
Accumulated surplus		3,896,131	3,699,201
Contractual obligations (Note 21)			
Contractual rights (Note 22)			
Contingencies (Note 23)			

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Operations and Accumulated Surplus
for the year ended March 31, 2025
(in thousands of dollars)

	2025 Budget	2025 Actual	2024 Actual (Note 29)
Revenues (Schedule A)			
From the Government of Canada	2,710,151	2,719,753	2,665,105
Sales	321,121	290,324	273,770
Other taxes	110,000	118,104	105,523
Corporate and personal income taxes	60,500	72,098	54,235
Income from portfolio investments	-	35,481	56,033
Other revenues generated by the Government of Nunavut	107,786	234,976	150,353
Total revenues	3,309,558	3,470,736	3,305,019
Expenses (Note 20)			
Health	719,169	917,668	799,484
Community and Government Services	733,861	621,533	540,012
Housing	345,804	374,696	345,938
Education	385,733	382,088	360,898
Finance	341,971	252,656	239,900
Family Services	207,264	246,933	223,430
Justice	181,343	177,481	170,419
Economic Development and Transportation	186,388	151,010	131,256
Human Resources	34,402	30,222	28,099
Environment	32,981	33,451	31,676
Culture and Heritage	38,505	35,472	32,097
Legislative Assembly	30,531	24,797	24,432
Executive and Intergovernmental Affairs	28,181	25,799	25,286
Total expenses	3,266,133	3,273,806	2,952,927
Surplus for the year	43,425	196,930	352,092
Accumulated surplus, beginning of year	3,699,201	3,699,201	3,347,109
Accumulated surplus, end of year	3,742,626	3,896,131	3,699,201

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Change in Net Financial Assets
for the year ended March 31, 2025
(in thousands of dollars)

	2025 Budget	2025 Actual	2024 Actual
Surplus for the year	43,425	196,930	352,092
Tangible capital assets (Schedule B)			
Additions	(208,341)	(346,263)	(239,615)
Adjustments	-	300	(55,332)
Disposals	5,476	71	1,023
Amortization	147,732	158,749	153,564
Write-downs	1,475	1,008	5,898
	(53,658)	(186,135)	(134,462)
Additions to inventories for use	(12,496)	(94,344)	(82,242)
Consumption of inventories for use	11,679	91,320	84,695
Net use of advance on contract	-	2,740	(20,209)
Disposals of condominiums for resale	-	2,489	8,414
Net Housing under development for resale	-	(3,775)	-
Net use of prepaid expenses	-	(2,982)	(130)
	(817)	(4,552)	(9,472)
Increase in net financial assets	(11,050)	6,243	208,158
Net financial assets, beginning of year	735,788	735,788	527,630
Net financial assets, end of year	724,738	742,031	735,788

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Cash Flow
for the year ended March 31, 2025
(in thousands of dollars)

	2025	2024
Cash provided by (used for) operating activities:		
Cash received from:		
Transfers from the Government of Canada	2,854,308	2,442,380
Taxation	182,566	154,987
Insurance proceeds	71	7,543
Other generated revenues	481,519	348,101
Interest on loans receivable and portfolio investments	35,481	56,033
Cash paid for:		
Interest payments on long-term debt	(24,372)	(25,936)
Interest payments on capital leases	(805)	(983)
Payments to and on behalf of employees	(859,380)	(819,980)
Grants and contributions	(386,133)	(383,900)
Suppliers	(1,661,301)	(1,605,514)
	<u>621,954</u>	<u>172,731</u>
Cash provided by (used for) capital activities:		
Purchases of tangible capital assets	(305,826)	(266,693)
Proceeds from sale of tangible capital assets	-	-
	<u>(305,826)</u>	<u>(266,693)</u>
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(16,474)	(5,133)
Loan repayments by municipalities, businesses and individuals	8,237	4,728
Investments in condominiums held for resale	(3,775)	-
Investments in portfolio and other investments	(34,564)	(487,754)
Proceeds from sale of portfolio and other investments	525,906	335,339
	<u>479,330</u>	<u>(152,820)</u>
Cash provided by (used for) financing activities:		
Proceeds from long-term debt issuance	-	-
Principal payments on long-term debt	(30,175)	(26,876)
Principal payments on capital leases	(6,529)	(6,355)
	<u>(36,704)</u>	<u>(33,231)</u>
(Decrease) increase in cash and cash equivalents	758,754	(280,013)
Cash and cash equivalents, beginning of year	501,841	781,854
Cash and cash equivalents, end of year	1,260,595	501,841
Represented by:		
Cash and cash equivalents	1,260,620	511,876
Bank indebtedness	(25)	(10,035)
	<u>1,260,595</u>	<u>501,841</u>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

1 AUTHORITY AND OPERATIONS

Authority

The Government of Nunavut (the Government) operates under the authority of Canada's *Nunavut Act*. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

These consolidated financial statements are prepared to meet the financial reporting requirements in Canada's *Nunavut Act* and Nunavut's *Financial Administration Act*. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada.

(b) Reporting entity

The reporting entity of the Government of Nunavut includes all departments, agencies, territorial corporations, organizations and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity for these consolidated financial statements, except for the Workers' Safety and Compensation Commission (WSSC).

The WSSC, which is responsible for the administration of related employer insurance premiums and employee benefit programs within Nunavut, is not accounted for in these consolidated financial statements. Since the Government does not control or have access to the WSSC's assets or responsibility for its obligations, it is excluded from the Government's reporting entity.

The following organizations comprise the Government reporting entity for these consolidated financial statements, and unless indicated otherwise, they have March 31 year ends.

Consolidated Revenue Fund, including those departments and public agencies set out in the Government's Main Estimates
Revolving Funds
Liquor and Cannabis Revolving Fund
Petroleum Products Revolving Fund
Public Stores Revolving Fund
Student Loan Fund
Territorial Corporations
Nunavut Arctic College (NAC) (*June 30*)
Nunavut Business Credit Corporation (NBCC)
Nunavut Development Corporation (including subsidiaries) (NDC)
Nunavut Housing Corporation (including subsidiaries) (NHC)
Nunavut Lottery
Qulliq Energy Corporation (QEC)
District Education Authorities (*June 30*)

Authority for Operations

Financial Administration Act
Revolving Funds Act

Nunavut Arctic College Act
Nunavut Business Credit Corporation Act
Nunavut Development Corporation Act
Nunavut Housing Corporation Act
Partnership agreement
Qulliq Energy Corporation Act
Education Act

For segmented disclosure reporting purposes (see Schedule C), summary information has been provided based on the accountability and control relationship between the Government and the various organizations within the reporting entity using categorizations or groupings of organizations noted above.

(c) Principles of consolidation

All entities included in the reporting entity, except Nunavut Lottery, are consolidated using the full consolidation method with significant transactions and balances between fully consolidated entities eliminated. Nunavut Lottery is accounted for as a government business partnership. Government business partnerships are accounted for using the modified equity basis of consolidation.

(d) Budget

Canadian public sector accounting standards require a government to present in its consolidated financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned.

The consolidated budget figures are the appropriations approved by the Legislative Assembly. The approved budgets for the consolidated entities are adjusted to eliminate inter-entity revenues and expenses. The budget represents the Government's original consolidated fiscal plan for the year and does not reflect supplementary appropriations.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments

The following is a list of the Government's financial instruments and their related measurement basis as at March 31, 2025:

Financial Assets	Measurement Basis
Cash and cash equivalents	Cost
Portfolio and other investments	Cost
Accounts receivable	Cost
Loans receivable	Amortized cost
Financial Liabilities	
Bank indebtedness	Cost
Accounts payable and accrued liabilities	Cost
Long-term debt	Amortized cost
Liability for Iqaluit International Airport	Amortized cost

All financial assets are annually tested for impairment. When financial assets are impaired, impairment losses are recognized in the consolidated statement of operations and accumulated surplus. A write down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value. On disposal or derecognition of a financial asset or liability, the resulting gain or loss is recognized in the consolidated statement of operations and accumulated surplus.

Upon initial recognition, transactions costs which are incremental and directly attributable to the acquisition or issuance of a financial asset or financial liability are added to the carrying value of the financial instruments measured using the cost or amortized cost method.

For financial instruments measured using amortized cost, the effective interest method is used to determine interest revenue and expense.

(f) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short-term highly liquid investments that are readily convertible to cash with a maturity term of 3 months or less from the time of their acquisition.

(g) Portfolio and other investments

Portfolio and other investments include long-term investments in Guaranteed Investment Certificates, Bankers' Acceptances, investments related to the Supplementary Retirement Allowances Fund (SRAF), and investments in the equity of private enterprises.

Portfolio and other investments are accounted for at cost, which approximates fair value.

Where there has been a loss in value of a portfolio or other investment, that is other than a temporary decline, the investment is written down to recognize the loss. A write-down of portfolio and other investments to reflect a loss in value is not reversed if there is a subsequent increase in value. The new carrying value is deemed to be the new cost basis for subsequent accounting purposes. Interest income is recognized using the effective interest method, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(h) Accounts receivable

Accounts receivable are recorded at the principal amount less an allowance for doubtful accounts when collection is in doubt. Receivable amounts are regularly reviewed for collectability.

(i) Inventories

Inventories for resale include bulk fuels, liquor products, finished goods, packaging materials and supplies. Inventories for resale are valued at the lower of the weighted average cost or net realizable value. Impairments, when recognized, result in a write-down to net realizable value and are recorded as an expense in the consolidated statement of operations and accumulated surplus.

Inventories for use include fuel, supplies and lubricants, health and medical supplies, raw materials and work-in-progress. Fuel inventory is valued at the lower of cost or replacement cost, with the cost being determined on a weighted average basis. Supplies and lubricants, health and medical supplies, as well as raw materials and work-in-progress inventory items are valued at the lower of cost or replacement cost, with cost being determined on a first-in, first-out basis. Impairments, when recognized, result in a write-down and are recorded as an expense in the consolidated statement of operations and accumulated surplus.

(j) Condominiums held for resale

Condominiums held for resale are recognized as a financial asset when all of the following criteria are met: (i) prior to the date of the consolidated financial statements, the Government commits to selling the asset; (ii) the asset is publicly seen to be for sale; (iii) there is an active market for the asset; (iv) there is a plan in place for selling the asset; and (v) the Government reasonably anticipates sale of the asset to an external purchaser within one year of the consolidated financial statement date.

When condominiums intended for resale are being developed for sale they are classified as a non-financial asset. Condominiums held for resale are not amortized and are valued at cost less any valuation allowance to reflect its net recoverable value. Cost includes amounts incurred to prepare the condominiums for sale.

(k) Loans receivable

Loans receivable are recorded at amortized cost, net of valuation allowances, if any. Based on the circumstances known at the date the consolidated financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is in doubt or when the value of a loan receivable is impaired. Interest revenue is recognized using the effective interest method. An uncollectable or impaired loan receivable balance can only be written off upon receipt of required statutory approvals.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Tangible capital and leased capital assets

Tangible capital assets (TCA) are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government programs and services. They may include such diverse items as buildings, vehicles, equipment, aircraft, computer hardware and software systems.

Tangible capital assets are recorded at cost. Cost includes all outlays to ready the asset for use including contracted services, materials and supplies, direct labour, attributable overhead costs and directly attributable interest. Capitalization of interest ceases when a tangible capital asset is ready for use in producing goods or delivering programs and services. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

Leased capital assets meet the definition of a tangible capital asset, except that they are held under a lease agreement by the Government. When the terms and conditions of the lease agreement transfer substantially all of the benefits and risks of ownership to the Government, the asset is capitalized. Legal ownership is not a requirement to capitalize the leased asset. The lease liability and corresponding asset are recorded based on the present value of payments due over the term of the lease. The present value is based on the lower of the interest rate implicit in the lease or the Government's incremental borrowing rate at the time the lease obligation is incurred.

Tangible capital assets, when placed into service, are generally amortized over their estimated useful lives using the straight-line method. When assets are leased, the amortization rate will be based on the lesser of the lease term or the useful life of the leased asset. The Nunavut Housing Corporation applies a declining balance amortization method to certain of its tangible capital assets. The Government has assessed the impact of the method against its stated policies and has determined it to be immaterial to the consolidated financial statements and has therefore not adjusted the consolidated financial statements. The following amortization rates are applied:

Asset Category	Amortization Period
Buildings	20 - 35 years
Leased Buildings	20 - 30 years
Storage Facilities	20 - 30 years
Tank Farms	30 years
Equipment	5 - 30 years
Warehouse and Equipment (QEC)	10 - 45 years
Electric Power Plants	20 - 40 years
Transmission Distribution Systems	15 - 45 years
Infrastructure	30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the Government's ability to provide programs and services, or that the future value of the economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work-in-progress with no amortization taken until the year the asset is placed into service.

Assets acquired by right, such as Crown lands, water and mineral resources are not recognized in the consolidated financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(m) Pension and other employee benefits

Pension benefits

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employee and the Government of Nunavut to cover current service costs. Pursuant to current legislation, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, the Government of Nunavut's contributions are recognized as an expense in the year when the employee has rendered the service. The contributions represent the total pension obligation of the Government of Nunavut.

The Government provides two different pension benefits to Members of the Legislative Assembly. Government costs and obligations for these pension plans are estimated on an actuarial basis. When actual experience varies from estimates, or when actuarial assumptions change, actuarial gains or losses arise. These gains and losses are recognized over the estimated average remaining service life of the plan members. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuation. In addition, upon a plan amendment, curtailment or settlement, previously unrecognized net actuarial gains or losses are immediately recognized in the consolidated statement of operations and accumulated surplus.

Other employee benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. Severance and removal benefits are recognized when employees are identified for lay-off or removal. These benefits are paid upon resignation, lay-off or termination, retirement or death of the employee. Upon retirement, employees are entitled to enroll in health and dental benefit programs, the cost of which is cost-shared with the Government. The estimated liability and related expenses for these benefit programs are recorded as employees earn them. Actuarial valuation estimates of the Government's obligations and related costs for each of these benefit programs have been prepared using data provided by management and assumptions based on management's best estimates.

Government employees are entitled to sick leave in accordance with their terms of employment. Included in other employee benefits is an amount for employees who are permitted to accumulate unused sick leave. However, such entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is determined by an actuarial valuation and has been recognized in these consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Public-private partnership (P3)

An asset is recognized through the terms and economic substance of a public private partnership (P3) when the Government controls:

- a) The purpose and use of the asset;
- b) Access to the future economic benefits and exposure to risks of the asset; and
- c) Significant residual interest in the asset, if any, at the end of the P3

These assets are initially measured at cost and are accounted for in accordance with the Government's Tangible capital assets policy (Note 2(l)).

The Government also recognizes a liability related to the P3 arrangement when it has an obligation to provide consideration to the private sector partner and is initially measured at the same amount as the P3 asset, reduced for any consideration previously provided to the private sector partner. Subsequent measurement of the P3 liability is at amortized cost using the effective interest method.

Annual operating, maintenance costs and capital life cycle costs are expensed as incurred.

(o) Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- ii) The past transaction or event giving rise to the liability has occurred;
- iii) It is expected that future economic benefits will be given up; and
- iv) A reasonable estimate of the amount can be made.

Recognized liabilities include all costs directly attributable to asset retirement activities, including costs related to post-retirement operation, maintenance, and monitoring that is an integral part of the retirement of the tangible capital asset. Estimates are based on the Government's best estimate of the total expenditure required to complete retirement activities using information that was available at the reporting date.

When an asset retirement liability is initially recognized, asset retirement costs are capitalized and added to the carrying value of the related tangible capital asset. The capitalized asset retirement obligation is amortized on the same basis as the related tangible capital asset and any accretion expense is recognized in the consolidated statement of operations and accumulated surplus. Asset retirement costs related to unrecognized tangible capital assets and tangible capital assets no longer in productive use are immediately expensed.

The estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. The liability is discounted using a present value calculation and adjusted annually for accretion expense. The discount rate used reflects the Government's cost of borrowing associated with the estimated number of years to complete the retirement or remediation.

At each financial reporting date, the carrying amount of the liability is reviewed. The Government recognizes period-to-period changes to the liability due to the passage of time as an accretion expense. Changes to the liability arising from revisions to either the timing or the original estimate of the undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Government continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(p) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which the transaction or event gives rise to the revenue. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Transfers from the Government of Canada are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability, in which case the transfers are recorded as deferred revenue.

Taxes

Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act*. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Tax concessions transferred to taxpayers include the Nunavut child benefit, the cost of living tax credit and the business training tax credit. Taxes, under the *Income Tax Act*, are administered by the Government of Canada on behalf of the Government of Nunavut under a tax collection agreement and are remitted to the Government. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for the tax year are finalized. These income tax adjustments are accounted for in the period they become known.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recognized in revenue in the year they are identified. Tobacco tax commissions on tobacco tax revenue provides a financial benefit other than a relief of taxes and is recognized as an expense.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Government non tax revenues

Government non tax revenues consist of revenues that are non exchange transactions and exchange transactions which contain performance obligations.

For non exchange transactions, revenues are recognized when the Government has the authority to obtain the related economic benefit and there is an expectation that such benefits will be obtained.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are generally recognized as performance obligations are fulfilled. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in unearned revenue provided the definition of a liability is met and are subsequently recognized as revenue as performance obligations are met. All revenues with performance obligations are recurring in nature unless otherwise stated.

Revenue Source	Performance Obligation	Recognition and Measurement
Sales		
- Petroleum Products Revolving Fund	To provide petroleum products (e.g. gas and heating oil)	Revenue is recognized at a point in time when petroleum products are delivered to the customer at the selling price in effect at the time of delivery.
- Liquor Revolving Fund	To provide products (e.g. alcohol)	Revenue is recognized at a point in time when the product is provided to the customer at the selling price in effect at the time of sale.
- Qulliq Energy Corporation	To provide power and heat	Utility sales contracts are generally long-term and result in monthly fees in exchange for the delivery of power. These revenues are recognized over a period of time by measuring the usage at established rates over the term of the contract.
Staff Housing Recoveries	Provide access to rental property	Revenue is recognized at a point in time when access is provided in accordance with the lease terms and is measured at rates defined by the lease agreement.

Recoveries of prior years expenditures

Recoveries of prior years expenditures through the Consolidated Revenue Fund, including reversals of prior years expenditure over-accruals, are reported as revenues in the consolidated financial statements. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures through the Consolidated Revenue Fund.

(a) Expenses

Expenses are recorded on an accrual basis when goods are received or services are rendered.

Grants and contributions are recognized as expenses provided that the transfer is authorized and all eligibility criteria have been met by the recipient. Grants and contributions include transfer payments to individuals, municipalities and other organizations under government funding arrangements. Payments to individuals include child benefit payments, income support or income supplements. These payments are based on age, family status, income and/or employment criteria. Other grants and contributions are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities. Tangible capital assets built by the Government on behalf of municipalities are classified as a grant and contribution to the municipality.

(r) Contingencies

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued as part of accounts payable and accrued liabilities. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is recognized. Contingent liabilities result from potential environmental contingencies, pending litigation and like items.

(s) Contaminated sites

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment in concentrations that exceed the maximum acceptable amounts under an environmental standard.

A liability for remediation of a contaminated site is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Government is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability for contaminated sites reflects management's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to the contamination. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is adjusted each year for the passage of time, new obligations, changes in management estimates and actual costs incurred. If the likelihood of a future event that would confirm the Government's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated financial statements.

(t) Future change in accounting standards

The Public Sector Accounting Board issued the Conceptual Framework for Financial Reporting in the Public Sector with an effective date of 1 April 2026. A conceptual framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards. It prescribes the nature, function and limits of financial accounting and reporting. The territory plans to adopt this framework on the effective date and is currently analyzing the impact on its consolidated financial statements.

PS 1202 Financial Statement Presentation standard was issued by the Public Sector Accounting Board of Canada but is not yet effective. This standard has not been applied in preparing these consolidated financial statements. PS 1202 defines how financial statement information is presented. Key changes include the removal of the statement of change in net financial assets or net debt, the addition of a new statement of net assets or net liabilities, and guidance on how this amount is determined. The Government is continuing its assessment of the impact that the new standard will have on its consolidated financial statements and will adopt this new standard on its effective date.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

3 USE OF ESTIMATES AND MEASUREMENT UNCERTAINTY

The preparation of financial statements requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses recognized during the reporting period. Uncertainty in the determination of these amounts is known as measurement uncertainty.

The most significant management estimates and assumptions relate to income tax revenues, pension and other employee benefit obligations, liabilities for contaminated sites, asset retirement obligations, contingencies, useful life of tangible capital assets, valuation of inventories for resale and the valuation allowances for loans and other receivables. Changes in these estimates and assumptions can cause significant changes in reported amounts.

There is also measurement uncertainty related to the tobacco settlement receivable as it involves estimates in future net after-tax income of the three tobacco companies, annual distribution amounts, the discount rate and actual settlement period. The degree of measurement certainty cannot be reasonably determined (Note 6).

4 CASH AND CASH EQUIVALENTS

	2025	2024
Cash	1,255,847	493,108
Cash equivalents	1,230	1,225
Designated and internally restricted cash	3,543	17,543
	1,260,620	511,876

Designated and internally restricted cash represents funds reserved for further investments, financing for subsidiary business enterprises, venture investments and/or debt repayments related to capital asset acquisitions.

The cash and cash equivalents yield for the year ended March 31, 2025 varied from 3.10% to 5.40% (2024 - 3.30% to 5.53%).

5 PORTFOLIO AND OTHER INVESTMENTS

	2025	2025	2025	2024
	Effective	Term to	Carrying	Carrying
	Rate of Return	Maturity	Value	Value
Portfolio investments				
Guaranteed Investment Certificates	2.78% - 5.62%	133 - 939 days	215,986	710,780
Various Bankers' Acceptances	1.47% - 5.00%	31 - 497 days	45,100	45,198
			261,086	755,978
Other investments				
SRAF designated investments			34,987	31,169
Venture investments			250	518
			296,323	787,665

The market value of the portfolio investments at March 31, 2025 was \$261,160 (2024 - \$754,802).

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms of investments. SRAF portfolio investments consist of an ownership interest in a balanced fund which contains cash and cash equivalents, fixed income instruments and equity investments. The market value of SRAF investments at March 31, 2025 was \$38,415 (2024 - \$34,410) with a positive return of 8.55% (2024 - positive 9.53%).

6 ACCOUNTS RECEIVABLE

	2025	2024
Due from the Government of Canada	319,722	402,570
Other revenues receivable:		
- Of the Territorial Corporations	94,401	86,458
- Of the Departments of Government ¹	131,389	109,425
- Of the Petroleum Products Division	72,403	74,433
	298,193	270,316
Less: Allowance for doubtful accounts:		
- Territorial Corporations	(61,781)	(61,320)
- Departments of Government	(24,762)	(22,219)
- Petroleum Products Division	(17,092)	(15,580)
	194,558	171,197
	514,280	573,767

¹ On March 6, 2025, the Ontario Superior Court of Justice approved a \$32.5 billion settlement agreement under Canada's Companies' Creditors Arrangement Act arising from litigation against three major tobacco companies over healthcare-related costs.

Under the terms of the settlement, \$24.7 billion will be payable to the Provinces and Territories of Canada, with the upfront payment being \$6.5 billion. These payments are expected to be received for the next 20 years. Nunavut's share of the settlement is 0.38%, approximately \$93.83 million of the total \$24.73 billion owed to the provinces and territories.

The receivable of \$60.85 million represents revenue recorded in 2025 and is measured at net present value. In August and September 2025, the Government received an initial upfront payment of \$24.31 million. The remaining balance will be paid in annual instalments tied to a percentage of the tobacco companies' net aftertax income until the amount is fully paid.

There is significant uncertainty relating to the amount and timing of these future payments as they are dependent on the profitability of the tobacco companies and the sale of their products. Actual revenue may vary significantly from this estimate.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

7 INVENTORIES	2025	2024
(a) For resale		
Bulk fuels	195,740	229,158
Liquor products	7,828	9,117
Finished goods	1,404	1,445
Packaging materials and supplies	155	196
	<u>205,127</u>	<u>239,916</u>

During the year, Nunavut Development Corporation wrote down inventories by \$nil (2024 - \$127) and the Petroleum Products Division wrote down bulk fuels inventory by \$564 (2024 - \$386).

(b) For use		
Supplies and lubricants	30,802	26,986
Fuel	10,865	11,878
Health and medical supplies	4,441	4,299
Raw materials and work-in-progress	1,130	1,051
	<u>47,238</u>	<u>44,214</u>

8 CONDOMINIUMS HELD FOR RESALE

In 2016-17, the Nunavut Housing Corporation acquired 62 residential units in Iqaluit with the intention of selling the units to the Government staff through the Staff Condominium program. In 2017-18, 2 of the units were added to the Staff Housing portfolio and work was undertaken to make the remaining 60 units available for sale as condominiums. In fiscal 2023-24, all 36 units in building 4096, valued at \$9,466, were transferred to the staff housing portfolio, resulting in 11 units remaining. In 2024-25, 9 of the remaining 11 units were sold (2024 - 0). Of the 2 remaining units, both are subject to signed purchase and sale agreements and have been classified as a financial asset. In 2024, the 11 remaining units were classified as non-financial assets.

9 LOANS RECEIVABLE	2025	2024
Nunavut Business Credit Corporation loans to businesses have a maximum maturity of 25 years, bear interest between 4.85% and 9.76% (2024 - 5.25% and 9.76%), net of a valuation allowance of \$1,497 (2024 - \$1,372). There must be sufficient security pledged by clients to support the amount of the loan receivable.	17,548	13,665
Student Loan Fund loans, interest rate of 0.0% (2024 - 0.0%), net of doubtful accounts and valuation allowances of \$8,285 (2024 - \$7,348).	2,723	2,410
Nunavut Housing Corporation mortgage loans to individuals with a maximum maturity of 25 years, bearing interest between 2.00% and 11.25% (2024 - 2.00% and 11.25%), net of a valuation allowance of \$2,958 (2024 - \$3,089) and subsidy to mortgage holders of \$3,587 (2024 - \$4,129).	1,133	1,125
Nunavut Development Corporation loan to a business, maturing in November 2029, bearing interest at 6%. As at year-end, the loan balance includes accrued interest of \$100 (2024 - \$nil)	4,100	-
Other receivables, net of valuation allowances of \$nil (2024 - \$67).	-	67
	<u>25,504</u>	<u>17,267</u>

10 BANK INDEBTEDNESS	2025	2024
Bankers' Acceptances	-	10,000
Line of credit - Uqurmiut Arts and Craft Ltd.	25	35
	<u>25</u>	<u>10,035</u>

Qulliq Energy Corporation (QEC) has a credit facility with a limit of \$20,000 (2024 - \$20,000) which is payable on demand. Interest charged on the credit facility during fiscal 2025 was based on the Canadian Overnight Repo Rate plus 0.80%. At the fiscal year-end this combined rate was 3.57% (2.77% + 0.80%). Prior to September 2024, interest on this facility was based on Bankers Acceptance (BA) rate (2024- 5.29%). In September 2024, CIBC moved from BA loans to Canadian Overnight Repo Rate Average (CORRA) loans. The credit facility is secured by a CIBC indemnity/operating agreement and guaranteed by the Government of Nunavut.

Uqurmiut Arts and Craft Ltd., a subsidiary of Nunavut Development Corporation (NDC), has an interest bearing, revolving demand operating line of credit with a limit of \$100, interest at bank prime rate, secured by an NDC guarantee, for financing the day-to-day operations of the RBC Agency in Pangnirtung.

11 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2025	2024
Due to the Government of Canada	45,499	49,771
Trade and other accounts payable:		
- Of the Departments of Government	243,945	189,991
- Of the Territorial Corporations	75,685	59,603
- Of the Petroleum Products Division	3,007	2,089
	<u>322,637</u>	<u>251,683</u>
Accrued liabilities, payroll deductions and contractor holdbacks		
- Of the Departments of Government	247,015	162,354
- Of the Petroleum Products Division	41,764	56,947
	<u>288,779</u>	<u>219,301</u>
Vacation pay and time in lieu		
- Of the Departments of Government	40,053	42,270
- Of the Territorial Corporations	8,282	8,533
- Of the Petroleum Products Division	157	130
	<u>48,492</u>	<u>50,933</u>
	<u>705,407</u>	<u>571,688</u>

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

12 DEFERRED REVENUES

	Balance April 1, 2024	Receipts during the year	Transfer to revenue	Balance March 31, 2025
Canada Community Building Fund Agreement	89,835	22,395	(16,913)	95,317
Other deferred revenue	72,559	67,788	(54,524)	85,823
Nunavut Implementation Agreement	21,244	27,474	(7,858)	40,860
Nunavut Lands and Resources Devolution	-	23,400	-	23,400
Nunavut Wellness Agreement	24,118	22,297	(24,117)	22,298
Canada Mortgage and Housing Corporation	7,035	35,508	(39,514)	3,029
Provincial-Territorial Base Funding (Building Canada Fund)	1,019	43	-	1,062
	<u>215,810</u>	<u>198,905</u>	<u>(142,926)</u>	<u>271,789</u>

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2025-26 and beyond, as the Government fulfills its obligations for purpose or other stipulations on the use of these funds, the associated revenue will be recognized in its consolidated financial statements.

13 LIABILITY FOR CONTAMINATED SITES

	2025	2024
Liabilities for remediation of contaminated sites	9,084	10,102
	<u>9,084</u>	<u>10,102</u>

The Government's activities are subject to various federal and territorial laws and regulations, such as the *Environmental Protection Act* of Nunavut and the Environmental Guideline for Contaminated Site Remediation - 2010, governing the protection of the environment or to minimize any adverse impact thereon. The Government conducts its operations to protect public health and the environment and believes its operations are in compliance with applicable laws and regulations.

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2025, there were 5 town sites (2024 - 4), 1 storage tank farms (2024 - 1) and 2 waste sites (2024 - 3) identified as requiring environmental remediation. In addition to the number of sites disclosed above, Nunavut Housing Corporation has also recognized costs related to the remediation of 2 sites (2024 - 5) contaminated as a result of oil spills. Qulliq Energy Corporation has recognized costs related to 3 sites (2024 - 3) resulting from oil spills at the Corporation's power plants. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to human health risks), is responsible for or has accepted responsibility for remediation and a reasonable estimate can be determined for remediation costs, a liability has been recognized in these consolidated financial statements. Where remediation costs have been estimated and a liability has been recognized, the methodology used to estimate the liability is either based on third party analysis or extrapolated from costs previously incurred to remediate, monitor, and/or manage sites of similar size and contamination.

The Government has identified an additional 92 sites (2024 - 92) on Commissioner's land for which liabilities for contamination may exist for assessment, remediation and monitoring. The activities associated with these sites are classified as follows:

	2025	2024
Storage tank farms	25	25
Power plants	29	29
Town and waste sites	11	11
Garages and other public works	5	5
Airports	21	21
Quarries	1	1
	<u>92</u>	<u>92</u>

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 14 storage tank farm sites and 29 power plant sites (2024 - 14 and 29) would cost, without considering inflation, approximately \$9,667 and \$52,000 (2024 - \$9,667 and \$46,000), respectively. In addition, the Government has estimated that remediation at the other sites could cost, without considering inflation, between \$225,074 - \$296,299 (2024 - \$225,074 - \$296,299) depending on the approach taken. No liability for remediation of these 92 sites (2024 - 92) has been recognized in these consolidated financial statements as the Government does not expect to give up any future economic benefits. Going forward, a liability for remediation of these or other identified sites will be recognized only when future economic benefits are expected to be given up.

Most storage tank farms and power plants are monitored on a regular basis to ensure the containment of the identified contaminants. For the other Government operations and/or sites, there is no ongoing monitoring program in place, but plans for one are to be developed in the future.

In addition, the Government has identified 145 sites (2024 - 145) where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

14 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS

There are separate pension arrangements in place to provide retirement benefits to government employees and to Members of the Legislative Assembly (MLAs). In addition to pension benefits, the government provides severance, removal and sick leave benefits to employees as well as retirement health benefits. These non-pension benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit obligations which are estimated actuarially using information and assumptions approved by management. As of March 31, the liabilities for pensions and other employee benefit arrangements were as follows:

	2025	2024
Pension Benefits		
Pension plans for MLAs	23,171	23,666
Total pension benefits	<u>23,171</u>	<u>23,666</u>
Other Employee Benefits		
Retirement health benefits	76,566	70,295
Severance and removal	20,089	20,947
Sick and special leave	8,236	10,442
Total other employee benefits	<u>104,891</u>	<u>101,684</u>
Total pension and other employee benefits	<u>128,062</u>	<u>125,350</u>

14 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

Public Service Pension Plan

Substantially all of the employees of the Government are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits. The plan is indexed to inflation. Contributions are required by both the employee and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The effective contribution rate at March 31, 2025 was 1.01 times the members rate (2024 - 1.02 times) for members enrolled before January 1, 2013, and 1.0 times the members rate (2024 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of \$41,994 (2024 - \$39,166) were recognized as an expense in the current year. Total employee contributions were \$41,748 (2024 - \$39,051).

Pension Plans for MLAs

The Government sponsors two defined benefit pension plans for MLAs. Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's Consolidated Revenue Fund. This plan came into effect during the 2001-02 year, and provides for benefits retroactive to April 1, 1999.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for at least one year and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

There have been no plan amendments, settlements, curtailments or temporary deviations from these plans in 2025 (no changes in 2024).

As per the *Legislative Assembly Retiring Allowance Fund Act* and the *Supplementary Retiring Allowance Fund Act*, an actuarial valuation is to be done as at April 1 following each general election, not necessarily every three years. The last actuarial valuations were completed for these plans as of April 1, 2022. The valuations were performed using the projected unit credit actuarial cost method. The valuations were based on a number of assumptions as approved by the Management and Services Board of the Legislative Assembly and represents the best estimates of expected long-term experience and short-term forecast, as well as the demographic assumptions underlying the most recent actuarial valuations for funding purposes. The main assumptions include inflation rate of 2.0% (2024 - 2.0%), expected discount rate of 4.7% (2024 - 4.9%), return on assets of 5.15% (2024 - 5.85%), increases in remuneration of 3.0% (2024 - 3.0%), and mortality.

The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2025	2024
Accrued benefit obligation	15,256	26,384	41,640	36,752
Deduct:				
Pension fund assets	22,686	-	22,686	20,583
Unamortized actuarial (gain) / loss	(2,595)	(1,622)	(4,217)	(7,497)
	20,091	(1,622)	18,469	13,086
Pension liability	(4,835)	28,006	23,171	23,666

As at March 31, 2025, LARAF pension fund assets had a market value of \$23,495 (2024 - \$20,965). The actual rate of return was positive 8.71% (2024 - positive 9.84%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 5).

LARAF and SRAF actuarial gains/losses are both amortized over 4.7 years (2024 - 5.7 years) which is the estimated average remaining service life for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2025	2024
Current period benefit cost	1,228	1,921	3,149	3,001
Amortization of actuarial (gain) / loss	(1,212)	(1,113)	(2,325)	(2,173)
	16	808	824	828
MLA contributions	(343)	-	(343)	(317)
Pension expense	(327)	808	481	511
Interest cost on the average accrued benefit obligation	702	1,219	1,921	1,749
Expected return on the average pension plan assets	(1,091)	-	(1,091)	(1,082)
Pension interest (revenue) expense	(389)	1,219	830	667
Total expenses	(716)	2,027	1,311	1,178

Pension benefits paid for the LARAF and SRAF were \$491 and \$901, respectively (2024 - \$455 and \$916, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$916 and \$1,917, respectively (2024 - \$841 and \$1,824, respectively).

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

14 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

Other Employee Benefits

Actuarial valuations for severance and removal, sick leave, special leave and retirement health benefits were complete as of March 31, 2025. Based on management's best estimates and information available at the reporting date, the principal actuarial assumptions used in measuring the accrued benefit obligations as at March 31, 2025, included increases in remuneration of 3.0% (2024 - 3.0%) and an average discount rate of 4.25% (2024 - 4.0%; 4.5% for special leave).

Changes in other employee benefits liabilities during the year were as follows:

	Severance and removal	Sick and special leave	Retirement health benefits	2025	2024
Accrued benefit obligation, beginning of the year	17,801	7,543	62,954	88,298	86,854
Benefits earned	1,806	2,172	4,240	8,218	7,972
Interest cost on the average accrued benefit	582	246	2,577	3,405	3,390
Benefits paid	(3,689)	(5,192)	(1,283)	(10,164)	(9,918)
Actuarial (gain) loss	9,870	13,474	(43,950)	(20,606)	-
Accrued benefit obligation, before unamortized gains	26,370	18,243	24,538	69,151	88,298
Unamortized net actuarial gain	(6,281)	(10,007)	52,028	35,740	13,386
Accrued benefit obligation, end of the year	20,089	8,236	76,566	104,891	101,684
Benefit Expenses¹					
Benefits earned for the period	1,806	2,172	4,240	8,218	7,972
Amortization of net actuarial (gain) / loss recognized during the year	(766)	(949)	737	(978)	(51)
Other employee benefits expense	1,040	1,223	4,977	7,240	7,921
Interest cost on the average accrued benefit	582	246	2,577	3,405	3,390
Total expense related to other employee benefits	1,622	1,469	7,554	10,645	11,311

¹ The components of other employee benefit expenses are included in the compensation and employee benefits category in Note 20.

15 LONG-TERM DEBT AND BORROWING AUTHORITY LIMIT

Loans and mortgages payable

	2025	2024
Loans payable to Canada Mortgage and Housing Corporation (CMHC), repayable in annual installments until 2032, bearing interest at a rate of 6.97% (2024 - 6.97%).	3,648	4,503
Loans payable to CMHC, assumed from Inuit Non-Profit Housing Corporation in 2017, repayable in monthly installments, maturing in 2028, bearing interest at a rate of 10.375% (2024 - 10.375%).	72	92
Non-revolving committed loan in nine tranches with interest calculated at a variable rate of prime minus 0.5% per annum, with principal payments on the first tranche of \$100 plus interest due monthly, beginning on April 1, 2015 with the final payment due on April 1, 2025; on the second tranche of \$58 plus interest due monthly, beginning on April 1, 2016 with the final payment due on April 1, 2026; on the third tranche of \$82 plus interest due monthly, beginning April 1, 2017 with the final payment due on April 1, 2027; on the fourth tranche of \$166 plus interest due monthly, beginning April 30, 2018 with the final payment due on April 30, 2028; on the fifth tranche of \$160 plus interest due monthly, beginning April 30, 2019 with the final payment due on April 30, 2029; on the sixth tranche of \$80 plus interest due monthly, beginning April 30, 2020 with the final payment due on April 30, 2030; on the seventh tranche of \$66 plus interest due monthly, beginning April 30, 2021 with the final payment due on April 30, 2031; on the eighth tranche of \$137 plus interest due monthly, beginning April 30, 2022 with the final payment due on April 30, 2032; and on the ninth tranche, interest only monthly payments until April 24, 2025. This tranche was repaid on April 24, 2025. This facility has an option to utilize Banker's Acceptances with stamping fees calculated at 50 basis points per annum with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of \$1,000 and multiples thereof.	132,501	149,745
Non-revolving committed loan facility, payments of \$67 plus interest due monthly, beginning on May 1, 2014 with the final payment due April 30, 2024. Interest at prime minus 0.5%.	-	8,067
	136,221	162,407

Principal and interest amounts due in each of the next five fiscal years and beyond are as follows:

	Principal	Interest	Total
2026	18,617	7,233	25,850
2027	12,510	6,444	18,954
2028	17,929	5,392	23,321
2029	25,770	3,866	29,636
2030	22,909	2,451	25,360
2031 and beyond	38,501	2,871	41,372
	136,236	28,257	164,493

Interest expense on long-term debt was \$10,610 for the year (2024 - \$12,264). During the year, interest costs of \$272 (2024 - \$99) were capitalized as part of additions to tangible capital assets. The interest paid on long-term debt during the year was \$10,882 (2024 - \$12,351).

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

15 LONG-TERM DEBT AND BORROWING AUTHORITY LIMIT (continued)

Borrowing Authority

As of March 31, 2025, the Governor General in Council of Canada, pursuant to subsection 27(4) of the *Nunavut Act*, had approved the Government of Nunavut borrowing up to \$1.05 Billion (i.e., authorized borrowing limit).

	2025	2024
Qulliq Energy Corporation, long-term debt	132,501	157,812
Nunavut Housing Corporation, long-term debt	3,720	4,595
Consolidated Revenue Fund, Liability for Iqaluit International Airport (Note 16)	136,221	162,407
Capital lease obligations (Note 17)	143,045	145,441
Consolidated Revenue Fund, Liability for Nunavut Energy Management Program (Note 18)	28,871	35,400
	24,828	15,758
Bank indebtedness (Note 10)	332,965	359,006
Total debt	25	10,035
Authorized borrowing limit	332,990	369,041
Available borrowing capacity	1,050,000	750,000
	717,010	380,959

The Government of Nunavut guarantees the long-term debt of Qulliq Energy Corporation and Nunavut Housing Corporation as well as any outstanding bank overdrafts of the Qulliq Energy Corporation and the Nunavut Development Corporation. As part of their financing, Nunavut Development Corporation subsidiaries have arranged various credit facilities with different terms and interest rates. Nunavut Development Corporation has provided a guarantee for these credit facilities.

Under the terms of the 1999 Social Housing Agreement (SHA), Canada Mortgage and Housing Corporation (CMHC) originally provided funding to the Nunavut Housing Corporation (NHC) to build social housing assets. This funding was in the form of long-term mortgages payable to CMHC (referred to as *National Housing Act (NHA)* section 79 debt under the SHA) and loans payable to CMHC (referred to as NHA section 82 debt under the SHA). Under the SHA, part of the funding provided to NHC was used to reduce 100% of the NHA section 79 debt and reduce by 5/9th of the NHA section 82 debt and to fund the related interest repayments that NHC would make each year to CMHC. This funding receivable from CMHC and the related payments due by NHC each year on the long-term debt payable to CMHC are legally offset resulting in no exchange of cash between NHC and CMHC. The funding receivable from CMHC is recorded as a reduction of the corresponding long-term debt payable. As the funding from CMHC and the corresponding repayments of long-term debt are non-cash transactions, they have not been recognized in the consolidated statement of cash flow.

16 LIABILITY FOR IQALUIT INTERNATIONAL AIRPORT

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The airport officially opened and began operations on August 9, 2017. The capital cost of the project was \$298.43 million. These costs are reflected in the tangible capital assets balances in Schedule B. The Government of Canada contributed \$74.16 million toward the capital cost of the project.

	2025	2024
Loan payable to private sector partner in monthly installments of \$1,069 to December 2047, bearing interest at a rate of 7.23%.	143,045	145,441

The private sector partner has no ownership rights. They are entitled to payments for operating, maintenance and life cycle costs as well as payments in the event the agreement is terminated. The calculation of the termination payment is defined by the agreement and is dependent on the circumstances which gave rise to the termination. Termination payment amounts can include the balance of any outstanding debt and related interest, unpaid amounts owing up to the termination date and/or an adjusted estimated market value which includes all future availability payments as defined by the agreement.

The agreement requires the private sector partner to obtain and maintain an airport operating license and to operate the airport for the period of the agreement which expires in December of 2047. The private sector partner is responsible for all operating costs related to the airport and the Government of Nunavut must provide monthly operating and maintenance payments to the partner as well as the payment of capital life cycle costs as provided for in the agreement. The required payments are included in contractual obligations in Note 22. Amounts are estimated and include inflation at the rate of 3%.

	2025	2024
Operating and maintenance	410,749	423,186
Life cycle costs	179,689	179,842
	590,438	603,028

Interest expense on long-term debt relating to the Iqaluit International Airport was \$10,435 for the year (2024 - \$10,601). Interest paid during the year was \$10,435 (2024 - \$10,601).

Minimum debt payments, including principal and interest, for each of the next five years and beyond are as follows:

	Principal	Interest	Total
2026	2,574	10,256	12,830
2027	2,766	10,063	12,829
2028	2,973	9,857	12,830
2029	3,195	9,635	12,830
2030	3,434	9,396	12,830
2031 and beyond	128,103	99,626	227,729
	143,045	148,833	291,878

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

17 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of March 31.

	2025	2024
Total minimum lease payments	30,411	37,744
Less: imputed interest	(1,540)	(2,344)
Less: executory costs	-	-
Present value of minimum lease payments	28,871	35,400

Minimum lease payments, including principal, interest and executory costs, for each of the next five years and beyond are as follows:

	Principal	Interest	Executory	Total
2026	6,558	623	-	7,181
2027	6,572	437	-	7,009
2028	5,989	286	-	6,275
2029	6,121	153	-	6,274
2030	3,631	41	-	3,672
2031 and beyond	-	-	-	-
	28,871	1,540	-	30,411

Lease payments are allocated between repayments of the liability, interest expense and any related executory costs. The total minimum lease payments less the initial liability and executory costs represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$805 (2024 - \$983) at an implied average interest rate of 2.80% (2024 - 2.80%). The capital lease obligations expire between 2026 and 2030.

18 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM

	2025	2024
Project financing payable - Northern Baffin	11,130	-
Project financing payable - Kivalliq	13,698	15,758
	24,828	15,758

The Nunavut Energy Management Program Project - Northern Baffin region, is in the implementation phase and therefore, the future payments schedule is not determinable at this time. The Government has entered into a contract for \$18,100 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. The project is expected to be completed by September 2025. Interest expense on the project for the year was \$667 (2024 - \$534). Interest paid during the year was \$1,309 (2024 - \$0).

Under the Nunavut Energy Management Program Project - Kivalliq region, the government has entered into a contract for \$25,409 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. Payments are due monthly at \$254 beginning November 2022 to July 2030 at an interest rate of 6.63% (2024 - 6.3%). Interest expense on the project for the year was \$983 (2024 - \$1,115)

Future payments for the Nunavut Energy Management Program Kivalliq Project, for each of the next five years and beyond are as follows:

	Principal	Interest	Total
2026	2,201	842	3,043
2027	2,352	692	3,044
2028	2,513	531	3,044
2029	2,684	359	3,043
2030	2,868	176	3,044
2031 and beyond	1,080	16	1,096
	13,698	2,616	16,314

19 ASSET RETIREMENT OBLIGATIONS

The Government owns and operates buildings that are known to have asbestos, lead, mercury and/or polychlorinated biphenyls (PCBs) which represents a health hazard upon demolition of the building. There is a legal obligation to remove these contaminants in accordance with *Canada Occupational Health and Safety Regulations (10.26 Schedule, Division II – Hazardous Substances Other than Hazardous Products)*. The Government has recognized an obligation relating to the removal and post-removal care of asbestos, lead, mercury and/or PCBs. Post-closure care is estimated to extend for up to one year after the closure of the building while demolition and decommissioning continues.

The initial recognition of asset retirement obligations involved an increase to the buildings cost with a corresponding increase in the ARO liability. The liability was estimated using costs for similar remediations and then discounted to the present value amount using a discount rate. There are no expected recoveries and the estimated liability includes a contingency of 10%. No assets have been designated to settle any asset retirement obligation and amortization of the asset retirement cost is on the same basis as the related tangible capital asset.

A reconciliation of the beginning and ending carrying value of the ARO liability is presented below.

	2025	2024
Balance, beginning of year	102,712	172,614
Liabilities incurred during the year	13	479
Liabilities settled during the year	(116)	(162)
Accretion expense	3,522	5,176
Asset adjustments	(110)	232
Revisions to estimated cash flow and revaluation ¹	6,923	(75,627)
Balance, end of year	112,944	102,712

¹ Reflecting changes in the estimated cash flows due to new information and a change in the discount rate.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

19 ASSET RETIREMENT OBLIGATIONS (continued)

In addition to assumptions based on the costing and prevalence of asset retirement obligations determined using sample testing of units throughout the territory, the following is a summary of the key information and assumptions upon which the carrying value of the asset retirement obligations are based:

	2025	2024
(i) Total undiscounted asset retirement obligations	206,707	193,158
(ii) Expected timing of payments	2026 to 2054	2025 to 2054
(iii) Discount rate	3.36% and 7.00%	3.35% and 7.00%
(iv) Inflation rate	2.00%	2.00%

The sensitivity of key assumptions relating to the provision are:

i) A 1% increase in the discount rate would decrease the obligation by	17,053	16,461
ii) A 1% increase in the inflation rate would increase the obligation by	26,025	24,152

20 EXPENSES BY TYPE

	2025	2024
Goods and services	1,812,984	1,633,157
Compensation and employee benefits	875,646	823,758
Grants and contributions	386,133	383,900
Amortization of tangible capital assets	158,770	153,564
Interest expense	25,177	26,919
Increase in valuation allowances	10,310	1,366
Accretion	3,721	(70,451)
Loss on disposal / write-down of tangible capital assets	1,065	714
	3,273,806	2,952,927

21 CONTRACTUAL OBLIGATIONS

In addition to commitments disclosed elsewhere in these consolidated financial statements, the Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2025:

	Total
Commitments under operating leases	191,188
Capital commitments	472,377
Policing agreement	485,688
Iqaluit International Airport commitments*	590,438
Other commitments	1,043,093
	2,782,784

* Amounts have been Indexed for inflation.

Contractual obligations for each of the next five years and beyond are as follows:

2026	828,825
2027	463,434
2028	272,714
2029	183,428
2030	146,151
2031 and beyond	888,230
	2,782,784

22 CONTRACTUAL RIGHTS

The Government enters into agreements to provide goods and services with various businesses and government agencies. These agreements will result in revenue and assets in the future. The following table summarizes the contractual rights of the Government when the terms of those agreements are met.

	Total
Canada Infrastructure Plan	568,235
New Building Canada Fund	224,017
Canada Mortgage and Housing Corporation	189,153
Health Canada Agreements	122,875
Others / Third party agreements	1,047,090
	2,151,370

Contractual rights for each of the next five years and beyond are as follows:

2026	432,318
2027	550,813
2028	415,048
2029	253,766
2030	136,437
2031 and beyond	362,988
	2,151,370

23 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share the costs. Post-division adjustments will be recognized in the year the liability can be reasonably estimated. As at March 31, 2025, no new post-division adjustments were recognized (2024 - nil).

(b) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% Nunavut and 55.66% Northwest Territories. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable and a reasonable estimate can be made as at March 31, the total amount claimed is estimated at \$270 (2024 - \$270). No liability has been recognized for these claims as the outcome of these cases is not determinable.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims includes wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recognized a liability. For those pending cases, where the outcome is not determinable and a reasonable estimate of the claim can be made as at March 31, the total amount of those claims is estimated at \$64,522 (2024 - \$130,958). No liability has been recorded for these claims as the outcome of these cases is not determinable.

The nature of these claims are as follows:

- Contract disputes
- Negligence
- Sexual assault claims
- Termination disputes
- Other matters

(c) Other

Under the terms of the Social Housing Agreement with Canadian Mortgage and Housing Corporation (CMHC), Nunavut Housing Corporation (NHC) is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that NHC shall indemnify and reimburse CMHC for, and save it harmless from, all losses, costs and expenses related to these loans. The carrying value of these third party loans is approximately \$197 as at March 31, 2025 (2024 - \$245).

24 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties. These trust accounts are not included in the reported assets and liabilities of the Government.

	2025	2024
Public Trustee	9,385	8,681
Natural Resources Conservation Trust	871	2,140
Territorial Court Trust	2,540	667
	12,796	11,488

25 FINANCIAL RISK MANAGEMENT

The Government is exposed to certain risks as a result of holding financial instruments. There have been no changes to the risks compared to prior year and no change in the methods and practices used to manage these risks. The following risks are present but have no significant impact on the Government's consolidated financial statements.

(a) Credit Risk

Credit risk is the risk that a third party will be unable to fulfill its payment obligations and cause a financial loss to the Government. The Government is exposed to credit risk through its cash and cash equivalents, accounts receivable, portfolio and other investments and loans receivable. The maximum extent of the exposure is the carrying value at the reporting date. At the end of 2025, there were no known relevant concentrations of credit risk by type of customer or geography. The Government's credit risk exposure is mainly influenced by individual customer characteristics.

Exposure to credit risk associated with its cash and cash equivalents is substantially minimized by placing these assets in senior Canadian chartered banks and the Government monitors these assets. The Government invests surplus funds with a recognized large financial institution to earn investment income. Cash and cash equivalents are invested in short-term highly liquid investments that are readily convertible to cash with a maturity term of 3 months or less from the date of acquisition. As a result, credit risk arising from cash and cash equivalents is considered negligible.

The Government has a concentration of accounts receivable from the Government of Canada which is considered low risk. Territorial Corporations, departments, and the Petroleum Products Division account for the remaining balance of accounts receivable. For certain loans, credit risk is managed through collateral security pledged by the borrowers and personal guarantees provided by borrowers. There is no concentration of loans receivable which further mitigates credit risk. Loans receivable are regularly reviewed and assessed to mitigate credit risk.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

25 FINANCIAL RISK MANAGEMENT (continued)

To mitigate risk, the Government regularly monitors its accounts receivable and assesses collectability. Where collection is at risk, an allowance for doubtful accounts is recognized. The allowance is based on specific accounts and is determined by considering the Government's knowledge of the financial conditions of customers, the aging of the receivable, current business conditions and historical experience. Receivables from the Government of Canada are not considered impaired.

Accounts receivable are generally due in 60 days or less. The Government utilizes an allowance account for potential losses related to accounts receivable. Any amounts subsequently recovered are reflected as recoveries in the consolidated statement of operations and accumulated surplus.

The aging analysis of other unimpaired accounts receivable is as follows:

	31-60 days	61-90 days	Over 90 days	2025	2024
Territorial Corporations	7,093	3,313	9,947	20,353	16,294
Departments of Government	-	-	58,646	58,646	41,468
Petroleum Products Division	9,018	4,317	12,512	25,847	41,875
	16,111	7,630	81,105	104,846	99,637

With respect to accounts receivable past due but not impaired, a review of credit history and/or credit ratings indicates customers will be able to meet their obligations.

The Government's investment policy for portfolio and other investments is designed to limit credit risk. Portfolio and other investment risk is mitigated by investing in low-risk Guaranteed Investment Certificates and Bankers' Acceptances.

(b) Liquidity Risk

Liquidity risk is the risk that the Government will not be able to meet its short-term financial obligations. To manage liquidity risk, the Government maintains cash reserves (cash and cash equivalents) at levels that will meet future cash requirements. The Government's liquidity risk is further mitigated by its short-term portfolio investments, access to credit facilities and the timing of debt repayments.

A maturity analysis of the Government's financial liabilities is as follows (the contractual cash flows reported are undiscounted and include principal and interest payments):

	Carrying Amount and Interest	2026 Estimated	2027 to 2030	2031 to 2047	2025	2024
Bank indebtedness	25	25	-	-	25	10,035
Accounts payable and accrued liabilities	705,407	705,407	-	-	705,407	571,688
Long-term debt	164,493	25,850	97,271	41,372	164,493	199,487
Liability for Iqaluit International Airport	291,878	12,830	51,319	227,729	291,878	304,708
	1,161,803	744,112	148,590	269,101	1,161,803	1,085,918

The Government does not currently believe it will encounter difficulty in meeting its future obligations associated with its financial liabilities.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the marketplace. The Government does not have significant exposure to interest rate risk on its portfolio investments as these investments are not held on the open market, are intended to be held until the end of the term and have fixed interest rates until that time. Although management monitors exposure to interest rate fluctuations, management does not employ any interest rate management policies to counteract interest rate fluctuations.

Long-term debt is comprised primarily of instruments with fixed interest rates; therefore, the Government has not provided a sensitivity analysis to show the effect of interest rate changes on operating results.

The Government is not exposed to significant foreign exchange or other price risks.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

26 Expenditure Authority

Budgets are approved to provide government with the spending authority to deliver programs and services. Section 32 of Nunavut's Financial Administration Act prohibits an expenditure from being incurred that causes the approved budget to be exceeded. During the year, four departments exceeded their approved budget, and a revised operating and maintenance supplementary appropriation was approved subsequent to year-end, on September 15, 2025.

The following is a summary of the four departments budget and actual results.

	Original Vote	Transfers and Supplementary Appropriations ¹	Actuals	Variance ²
Department of Health				
Operations and maintenance				
Compensation and benefits	186,102	-	170,107	15,995
Grants and contributions	11,898	-	7,039	4,859
Other	322,292	86,469	476,889	(68,128)
	520,292	86,469	654,035	(47,274)
Department of Community and Government Services				
Operations and maintenance				
Compensation and benefits	59,886	(6,215)	57,387	(3,716)
Grants and contributions	85,977	51	84,706	1,322
Other	163,790	8,864	177,468	(4,814)
	309,653	2,700	319,561	(7,208)
Department of Economic Development and Transportation				
Operations and maintenance				
Compensation and benefits	20,747	(5,000)	22,210	(6,463)
Grants and contributions	24,842	-	23,527	1,315
Other	54,572	5,000	56,182	3,390
	100,161	-	101,919	(1,758)
Department of Family Services				
Operations and maintenance				
Compensation and benefits	38,171	733	43,026	(9,669)
Grants and contributions	83,681	4,420	90,886	439
Other	73,216	21,280	99,942	(3,123)
	195,068	26,433	233,854	(12,353)

¹ Approved during the year.

² Approved subsequent to year end.

27 Devolution of Authority

On January 18, 2024, the Government of Canada (Canada) and the Government of Nunavut and Nunavut Tunngavik Incorporated (NTI) signed the Nunavut Lands and Resources Devolution Agreement (Agreement). The Agreement transfers the administration and control of public lands and rights in respect of waters in Nunavut to the Commissioner of Nunavut. NTI is a signatory and a full party to the Agreement. NTI's primary role is to ensure that Inuit rights under the Nunavut Agreement are not infringed upon and that Inuit benefit from the devolution process. The target date of the transfer is April 1, 2027.

The Agreement includes the transfer of various assets, resources and funding from Canada to the Government. Funding includes one-time transitional funding of \$67.25 million and one-time human resource development funding of \$15 million. The residual amount of the one-time funding will be provided to the Government through funding agreements with Canada over the next three fiscal years. In addition, Canada will provide the Government with ongoing annual funding of \$85.8 million by making an adjustment, on the transfer date, to the Gross Expenditure Base as determined under the Federal-Provincial Fiscal Arrangements Act and Federal-Provincial Fiscal Arrangements Regulations, 2007 or any successor program governing the financial arrangements between Canada and the Government.

As of March 31, 2025, the Government received a total of \$35.4 million—\$26.4 million in transitional funding and \$9.0 million in human resource development funding. Of this amount, \$23.4 million (\$20.4 million in transitional funding and \$3.0 million in human resource development funding) was received during fiscal year 2024–25.

28 Advance on Contract

The Nunavut Housing Corporation periodically enters into construction contracts that require an advance (downpayment) upon signing, representing a percentage of the total contract value. These advance payments will be transferred to tangible capital assets in future years according to the progress of work completed.

	2025	2024
Opening Balance	20,209	-
Advances Paid	4,544	20,209
Advances Claimed	(7,284)	
Closing balance	17,469	20,209

29 Change in Classification – Consolidated Statement of Operations and Accumulated Surplus

During the current fiscal year, the Government revised the classification of revenues presented in the Consolidated Statement of Operations and Accumulated Surplus. This change was made to enhance transparency and better reflect the nature and sources of revenue in accordance with Public Sector Accounting Standards. Comparative figures from prior years have been reclassified to conform to the current year's presentation and ensure consistency across reporting periods.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Schedule of Revenues by Source
for the year ended March 31, 2025
(in thousands of dollars)

SCHEDULE A

	2025	2024
	Actual	Actual
From the Government of Canada		
Territorial Formula Financing	2,109,474	1,971,420
Transfers under third-party funding agreements	431,092	457,808
Other transfer payments	179,187	235,877
	2,719,753	2,665,105
Revenues generated by the Government of Nunavut		
Personal income tax	44,793	38,914
Corporate income tax	27,305	15,321
Payroll tax	48,483	43,318
Tobacco tax	23,129	23,956
Fuel tax	25,072	19,857
Property tax	16,682	14,533
Insurance tax	4,738	3,859
Sales		
Petroleum Products Revolving Fund - before cost of goods sold of \$143,170 (2024 - \$140,534)	186,451	173,474
Liquor Revolving Fund - before cost of goods sold of \$9,510 (2024 - \$8,503)	21,284	21,730
Nunavut Development Corporation - before cost of goods sold of \$4,344 (2024 - \$4,081)	3,924	4,099
Qulliq Energy Corporation - power sales	78,665	74,467
Staff housing recoveries	25,606	19,965
Transfers under third-party funding agreements	755	2,108
Recoveries of prior years expenditures	25,869	25,228
Investment income	35,481	56,033
Insurance proceeds	71	7,543
Interest on cash deposits	25,114	10,548
Housing rentals	18,898	19,840
Other revenues ¹	138,663	65,121
	750,983	639,914
Total revenues	3,470,736	3,305,019

¹ Includes \$60.85 million (2024 - nil) in tobacco settlement proceeds.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

SCHEDULE B

**Consolidated Schedule of Tangible Capital Assets
for the year ended March 31, 2025**

(in thousands of dollars)

	Buildings	Leased Buildings	Storage Facilities	Tank Farms	Equipment	Warehouse / Equipment (QEC)	Electric Power Plants	Transmission Distribution Systems	Infrastructure	Land	2025	2024
Cost of tangible capital assets												
Opening balance	3,154,421	180,078	69,299	225,011	178,412	85,380	390,786	87,555	478,019	327	4,849,288	4,810,736
Additions	6,326	-	-	-	17,805	-	-	-	-	-	24,131	30,180
Transferred from work in progress	127,906	-	12,830	-	-	(233)	970	657	-	-	142,130	59,687
Disposals	-	-	-	-	(448)	-	-	-	-	-	(448)	(5,695)
Adjustments*	6,410	-	197	-	-	300	-	-	-	-	6,907	(43,493)
Write-downs	(2,996)	-	-	-	-	-	-	-	-	-	(2,996)	(2,127)
Closing balance	3,292,067	180,078	82,326	225,011	195,769	85,447	391,756	88,212	478,019	327	5,019,012	4,849,288
Accumulated amortization												
Opening balance	(1,457,956)	(143,027)	(34,529)	(129,442)	(158,183)	(34,682)	(163,525)	(32,596)	(155,183)	-	(2,309,123)	(2,212,344)
Amortization	(101,651)	(6,463)	(1,624)	(7,742)	(9,307)	(2,825)	(11,315)	(1,789)	(16,033)	-	(158,749)	(153,564)
Adjustments*	21	-	-	-	-	(321)	-	-	-	-	(300)	55,332
Disposals	-	-	-	-	377	-	-	-	-	-	377	4,672
Write-downs	1,988	-	-	-	-	-	-	-	-	-	1,988	(3,219)
Closing balance	(1,557,598)	(149,490)	(36,153)	(137,184)	(167,113)	(37,828)	(174,840)	(34,385)	(171,216)	-	(2,465,807)	(2,309,123)
Work in progress												
Opening balance	303,237	-	13,073	-	-	5,253	13,259	3,083	10,255	-	348,160	155,471
Additions	274,262	-	231	674	-	5,737	26,727	1,471	6,123	-	315,225	252,928
Transferred to cost of tangible capital assets	(127,906)	-	(12,830)	-	-	233	(970)	(657)	-	-	(142,130)	(59,687)
Write-downs	-	-	-	-	-	-	-	-	-	-	-	(552)
Closing balance	449,593	-	474	674	-	11,223	39,016	3,897	16,378	-	521,255	348,160
Net book value	2,184,062	30,588	46,647	88,501	28,656	58,842	255,932	57,724	323,181	327	3,074,460	2,888,325

Estimated useful life **20-35 years** **20-30 years** **20-30 years** **30 years** **5-30 years** **10-45 years** **20-40 years** **15-45 years** **30 years** **n/a**

During the year, interest of \$272 was capitalized (2024 - \$99) as part of the cost of additions.

The tangible capital asset additions presented in the consolidated statement of cash flow exclude non-cash acquisitions totalling \$89,207 (2024 - \$52,209) which represent unpaid purchases and holdbacks that are included in accounts payables and accrued liabilities as well as the liability for the Nunavut Energy Management Program at March 31, 2025.

Included in tangible capital asset additions are \$1,375 (2024 - \$195) of corporate overhead costs of the Qulliq Energy Corporation.

* Consists of the impact of revisions in estimated cash flows on the asset retirement obligations (Note 19), largely as a result of the change in the discount rate during the year.

GOVERNMENT OF NUNAVUT

SCHEDULE C

PUBLIC ACCOUNTS

Consolidated Schedule of Segmented Information

for the year ended March 31, 2025

(in thousands of dollars)

	Consolidated Revenue Fund	Revolving Funds	Territorial Corporations	Total for All Segments	Consolidation Adjustments (1)	2025	2024
Revenues							
From the Government of Canada							
Territorial Formula Financing	2,109,474	-	-	2,109,474	-	2,109,474	1,971,420
Transfers under third-party funding agreements	431,092	-	-	431,092	-	431,092	457,808
Other transfer payments	121,335	-	57,852	179,187	-	179,187	235,877
	2,661,901	-	57,852	2,719,753	-	2,719,753	2,665,105
Generated by the Government of Nunavut							
Sales	-	315,422	163,031	478,453	(188,129)	290,324	273,770
Other taxes	118,104	-	-	118,104	-	118,104	105,523
Corporate and personal income taxes	72,098	-	-	72,098	-	72,098	54,235
Tobacco Settlement	60,850	-	-	60,850	-	60,850	-
Income from portfolio investments	19,482	-	15,999	35,481	-	35,481	56,033
Staff housing recoveries	25,606	-	-	25,606	-	25,606	19,965
Transfers under third-party funding agreements	755	-	-	755	-	755	2,108
General	67,021	-	537,299	604,320	(482,424)	121,896	103,052
	363,916	315,422	716,329	1,395,667	(670,553)	725,114	614,686
Recoveries of prior years expenditures	25,869	-	-	25,869	-	25,869	25,228
Total revenues	3,051,686	315,422	774,181	4,141,289	(670,553)	3,470,736	3,305,019
Expenses							
Goods and services	1,439,235	291,966	438,380	2,169,581	(356,597)	1,812,984	1,633,157
Compensation and employee benefits	695,776	8,873	164,297	868,946	6,700	875,646	823,758
Grants and contributions	684,770	-	-	684,770	(298,637)	386,133	383,900
Amortization of tangible capital assets	93,559	-	65,458	159,017	(247)	158,770	153,564
Interest expense	13,716	13	11,899	25,628	(451)	25,177	26,919
Increase in valuation allowances	4,008	1,512	4,471	9,991	319	10,310	1,366
Accretion	508	-	3,213	3,721	-	3,721	(70,451)
Write down of tangible capital assets	-	-	1,065	1,065	-	1,065	714
Total expenses	2,931,572	302,364	688,783	3,922,719	(648,913)	3,273,806	2,952,927
Surplus (deficit) for year	120,114	13,058	85,398	218,570	(21,640)	196,930	352,092

(1) - Includes adjustments to eliminate inter-entity balances to comply with Canadian public sector accounting standards. For example, contributions by departments to revolving funds, territorial corporations and other agencies (i.e., consolidated entities) are shown in grants and contributions expense under the "Consolidated Revenue Fund" column, while the amounts received by the applicable consolidated entity group are shown as revenues in their respective columns. These amounts are eliminated upon consolidation to avoid double-counting and results in significant amounts shown in the 'Consolidation Adjustments' column.

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SECTION III
NON-CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2025

(in thousands of dollars)

	Note	2025	2024
Financial assets			
Cash and cash equivalents	3	944,070	150,941
Due from the Government of Canada	4	279,793	361,237
Accounts receivable	5	238,138	237,004
Inventories for resale	6(a)	203,568	238,275
Loans receivable	7	149,349	76,273
Portfolio and other investments	8	245,973	736,949
Total financial assets		2,060,891	1,800,679
Liabilities			
Accounts payable and accrued liabilities	9	646,571	527,279
Deferred revenues	10	240,288	178,701
Liability for contaminated sites	11	7,461	7,371
Liabilities for pension and other employee benefits	12	119,289	118,391
Liability for Iqaluit international airport	13	143,045	145,441
Capital lease obligations	14	28,672	34,938
Liability for Nunavut energy management program	15	24,828	15,758
Asset retirement obligations	16	15,671	15,163
Total liabilities		1,225,825	1,043,042
Net financial assets		835,066	757,637
Non-financial assets			
Tangible capital assets (Schedule C)		1,621,510	1,564,340
Inventories for use	6(b)	4,441	4,299
Prepaid expenses		3,435	4,699
Total non-financial assets		1,629,386	1,573,338
Accumulated surplus		2,464,452	2,330,975
Contractual obligations (Note 18)			
Contractual rights (Note 19)			
Contingencies (Note 20)			

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)**

for the year ended March 31, 2025

(in thousands of dollars)

	2025 Budget	2025 Actual	2024 Actual
Revenues (Schedule A)			
From the Government of Canada	2,631,233	2,661,901	2,555,594
Tax revenues generated by the Government of Nunavut	170,500	190,202	159,758
Other revenues generated by the Government of Nunavut	125,003	228,770	144,727
Recoveries of prior years expenditures	14,000	25,869	25,228
Total revenues	2,940,736	3,106,742	2,885,307
Expenses (Schedule B)			
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,516,834	2,676,795	2,437,225
<i>Plus:</i> Amortization expenses on tangible capital assets	81,602	93,558	90,481
<i>Plus:</i> Asset retirement obligation accretion expense	-	508	2,516
<i>Plus:</i> Asset retirement obligation (gain) loss	-	-	(70,022)
<i>Plus:</i> Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,598,436	2,770,861	2,460,200
Capital expenditures	496,358	353,137	389,201
<i>Less:</i> Transfers to tangible capital assets	133,011	150,733	148,562
Total capital expenses	363,347	202,404	240,639
Total expenses	2,961,783	2,973,265	2,700,839
Surplus for year	(21,047)	133,477	184,468
Accumulated surplus, beginning of year	2,330,975	2,330,975	2,146,507
Accumulated surplus, end of year	2,309,928	2,464,452	2,330,975

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Change in Net Financial Assets (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

	2025 Budget	2025 Actual	2024 Actual
Surplus for year	(21,047)	133,477	184,468
Tangible capital assets (Schedule C)			
Additions	(133,011)	(150,707)	(93,568)
Disposals	45	-	933
Amortization	81,602	93,558	90,481
Amortization adjustment	-	(21)	(55,332)
Additions in kind	(40)	-	-
Write-downs	2,093	-	-
	<u>(49,311)</u>	<u>(57,170)</u>	<u>(57,486)</u>
Additions to inventories for use	(6,577)	(10,372)	(9,442)
Consumption of inventories for use	5,760	10,230	9,085
Net additions of prepaid expenses	(500)	1,264	(948)
	<u>(1,317)</u>	<u>1,122</u>	<u>(1,305)</u>
Total Change in the Year	(71,675)	77,429	125,677
Net Financial Assets, beginning of year	757,637	757,637	631,960
Net Financial Assets, end of year	<u>685,962</u>	<u>835,066</u>	<u>757,637</u>

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Cash Flow (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

	2025	2024
Cash provided by (used for) operating activities:		
Cash received from:		
Transfers from the Government of Canada	2,800,618	2,386,442
Taxation	183,497	154,987
Other generated revenues	475,319	311,572
Interest on loans receivable and portfolio investments	7,957	4,730
Cash paid for:		
Interest payments on capital leases, mortgage and project financing	(12,873)	(12,670)
To and on behalf of employees	(742,097)	(669,341)
Grants and contributions	(767,439)	(755,369)
Suppliers	(1,429,293)	(1,413,746)
	<u>515,689</u>	<u>6,605</u>
Cash provided by (used for) capital activities:		
Purchases of tangible capital assets	(129,595)	(132,655)
	<u>(129,595)</u>	<u>(132,655)</u>
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(75,385)	(25,008)
Loan repayments by municipalities, businesses and individuals	2,166	4,613
Investments in portfolio and other investments	490,976	(182,338)
	<u>417,757</u>	<u>(202,733)</u>
Cash provided by (used for) financing activities:		
Principal payments on Iqaluit International Airport	(2,396)	(2,228)
Principal payments on capital leases	(6,266)	(6,099)
Principal payments on Nunavut Energy Savings Program Project	(2,060)	(2,138)
	<u>(10,722)</u>	<u>(10,465)</u>
(Decrease) increase in cash and cash equivalents	793,129	(339,248)
Cash and cash equivalents, beginning of year	150,941	490,189
Cash and cash equivalents, end of year (Note 4)	944,070	150,941

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2025***(in thousands of dollars)*

1 AUTHORITY AND OPERATIONS**(a) Government of Nunavut**

The Government of Nunavut (the Government) operates under the authority of Canada's *Nunavut Act*. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

(b) Main Estimates and Capital Estimates

The 2024-2025 Main Estimates and Capital Estimates were tabled in the Legislative Assembly in February 2024 and October 2023 respectively. These Estimates represent the Government's fiscal plan for the year (i.e., original budget). Summary information and totals for the Government's original budget for the year are provided on pages x through xiii of the 2024-2025 Main Estimates and pages vi through vii of the 2024-25 Capital Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreements with the Government of Canada or others, and while not part of the annual Appropriations (Operations and Maintenance) Act approved by the Legislative Assembly in March 2024, they are, along with those of revolving funds, included in the original budget totals disclosed in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Accounting**

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS), as issued by the Public Sector Accounting Board of Canada, with the exception that they are not consolidated and certain revenues are reported net of expenses (i.e., Petroleum Products Division and liquor revenues are reported net of their cost of goods sold).

Pursuant to Section 74 of the *Financial Administration Act*, the Government also prepares consolidated financial statements, which provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting Entity

These financial statements include the assets, liabilities and operating results of the Government's Consolidated Revenue Fund, including departments included in the Main Estimates, as well as the following revolving funds:

Liquor and Cannabis Revolving Fund
Petroleum Products Revolving Fund
Public Stores Revolving Fund
Student Loan Fund

Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following public agencies are included in these non-consolidated financial statements only to the extent of the Government's contributions to and services received from or provided to them during the year:

Territorial corporations	Other public agencies
- Nunavut Arctic College (NAC)	- District Education Authorities
- Nunavut Business Credit Corporation (NBCC)	- Human Rights Tribunal
- Nunavut Development Corporation (NDC)	- Inuit Uqausinginnik Taiguusiliuqtiit
- Nunavut Housing Corporation (NHC)	- Labour Standards Board
- Qulliq Energy Corporation (QEC)	- Legal Services Board
	- Liquor and Cannabis Commission
	- Liquor and Cannabis Board
	- Office of the Public Trustee
	- Qullit Nunavut Status of Women Council

Nunavut Lottery, which operates as a government business partnership, is recorded in these non-consolidated financial statements based on the contributions received during the year from the net results of lottery sales and activities in Nunavut.

The Workers' Safety and Compensation Commission (WSCC), which is responsible for the administration of related employer insurance premiums and employee benefit programs within Nunavut, is not accounted for in these financial statements. Since the Government does not control or have access to the WSCC's assets or responsibility for its obligations, it is excluded from the Government's reporting entity.

(c) Use of Estimates and Measurement Uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires government management to make estimates and assumptions that affect the amount of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, management believes the estimates and assumptions are reasonable.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2025***(in thousands of dollars)*

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

The most significant management estimates relate to income tax revenues, pension and other employee benefit liabilities, liability for contaminated sites, asset retirement obligations, contingencies, useful life of tangible capital assets, valuation of inventories for resale and use as well as valuation allowances on loans and other receivables. Changes in these estimates and assumptions can cause significant changes in reported amounts.

There is also measurement uncertainty related to the tobacco settlement receivable as it involves estimates in future net after-tax income of the three tobacco companies, annual distribution amounts, the discount rate and actual settlement period. The degree of measurement certainty cannot be reasonably determined (Note 5).

(d) Financial Instruments

The following is a list of the Government's financial instruments and their related measurement basis as at March 31, 2025:

Financial Assets	Measurement Basis
Cash and cash equivalents	Cost
Due from the Government of Canada	Cost
Accounts receivable	Cost
Loans receivable	Amortized cost
Portfolio and other investments	Cost
Financial Liabilities	
Accounts payable and accrued liabilities	Cost
Liability for Iqaluit International Airport	Amortized cost

As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses. Therefore, a statement of remeasurement gains and losses has been excluded.

All financial assets are annually tested for impairment. When financial assets are impaired, impairment losses are recognized in the statement of operations and accumulated surplus. A write down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value. On disposal or derecognition of a financial asset or liability, the resulting gain or loss is recognized in the statement of operations and accumulated surplus.

Upon initial recognition, transactions costs which are incremental and directly attributable to the acquisition or issuance of a financial asset or financial liability are added to the carrying value of the financial instruments measured using the cost or amortized cost method.

For financial instruments measured using amortized cost, the effective interest method is used to determine interest revenue and expense.

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short-term highly liquid investments that are readily convertible to cash with a maturity term of 3 months or less from the time of their acquisition.

(f) Portfolio and Other Investments

Portfolio and other investments include long-term investments in Guaranteed Investment Certificates and investments related to the Supplementary Retirement Allowances Fund (SRAF).

Portfolio and other investments are accounted for at cost, which approximates fair value. SRAF designated investments represent an ownership interest in a pooled equity fund with an active market.

Where there has been a loss in value of a portfolio or other investment, that is other than a temporary decline, the investment is written down to recognize the loss. A write-down of portfolio and other investments to reflect a loss in value is not reversed if there is a subsequent increase in value. The new carrying value is deemed to be the new cost basis for subsequent accounting purposes. Interest income is recognized using the effective interest method, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(g) Accounts receivable

Accounts receivable are recorded at the principal amount less an allowance for doubtful accounts when collection is in doubt. Receivable amounts are regularly reviewed for collectability.

(h) Inventories

Inventories for resale include bulk fuel and liquor products and are valued at the lower of weighted average cost or net realizable value. Inventory for use includes health and medical supplies valued at the lower of cost or replacement cost, with cost being determined on a first-in, first-out basis.

(i) Loans Receivable

Loans receivable are recorded at amortized cost, net of valuation allowances, if any. Based on the circumstances known at the date the financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recognized using the effective interest method. An uncollectable or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Tangible Capital and Leased Assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government programs and services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost. Cost includes all outlays to ready the asset for use including contracted services, materials and supplies, direct labour, attributable overhead costs and directly attributable interest. Capitalization of interest ceases when a tangible capital asset is ready for use in producing goods or delivering programs and services. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

Leased capital assets meet the definition of a tangible capital asset, except that they are held under a lease agreement by the Government. When the terms and conditions of the lease agreement transfer substantially all of the benefits and risks of ownership to the Government, the asset is capitalized. Legal ownership is not a requirement to capitalize the leased asset. The lease liability and corresponding asset are recorded based on the present value of payments due over the term of the lease. The present value is based on the lower of the interest rate implicit in the lease or the Government's incremental borrowing rate at the time the lease obligation is incurred.

Tangible capital assets, when placed into service, are amortized over their useful lives using the straight-line method. When assets are leased, the amortization rate will be based on the lesser of the lease term or the useful life of the leased asset. The following amortization rates are being used:

Asset Category	Amortization Period
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5-30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the Government's ability to provide goods or deliver programs and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Assets acquired by right, such as Crown lands, water, and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints, and photographs are charged to expense in the year they are acquired.

(k) Pension and Other Employee Benefits

Pension Benefits

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service costs. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, the Government of Nunavut's contributions are recognized as an expense in the year when employees have rendered the service. The contributions represent the total pension obligation of the Government of Nunavut.

The Government provides two different pension benefits to Members of the Legislative Assembly. The costs and obligations of the Government for these pension plan benefits are estimated on an actuarial basis. When actual experience varies from estimates, or when actuarial assumptions change, actuarial gains or losses arise. These gains and losses are not recognized immediately but rather over the estimated average remaining service life of the plan members. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuation. In addition, upon a plan amendment, curtailment or settlement, previously unrecognized net actuarial gain or loss balances are immediately recognized in the statement of operations and accumulated surplus.

Other Employee Benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. Severance and removal benefits are recorded when employees are identified for lay-off or removal. These benefits are paid upon resignation, lay-off or termination, retirement or death of the employee. Upon retirement, employees are entitled to enroll in health and dental benefit programs, the cost of which is cost-shared with the Government. The estimated liability and related expenses for these benefit programs are recorded as employees earn them. Actuarial valuation estimates of the Government's obligations and related costs for each of these benefit programs have been prepared using data provided by management and assumptions based on management's best estimates.

The Government's employees are entitled to sick leave under their terms of employment. Included in other employee benefits is an amount for employees who are permitted to accumulate unused sick leave. However, such entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is determined by an actuarial valuation and has been recorded in these financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(l) Public-private partnership (P3)**

An asset is recognized through the terms and economic substance of a public private partnership (P3) when the Government controls:

- a) The purpose and use of the asset;
- b) Access to the future economic benefits and exposure to risks of the asset; and
- c) Significant residual interest in the asset, if any, at the end of the P3 agreement.

These assets are initially measured at cost and are accounted for in accordance with the Government's Tangible capital asset policy (Note 2(j)).

The Government also recognizes a liability related to the P3 arrangement when it has an obligation to provide consideration to the private sector partner and is initially measured at the same amount as the P3 asset, reduced for any consideration previously provided to the private sector partner. Subsequent measurement of the P3 liability is at amortized cost using the effective interest method.

Annual operating, maintenance and capital life cycle costs are expensed as incurred.

(m) Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- ii) The past transaction or event giving rise to the liability has occurred;
- iii) It is expected that future economic benefits will be given up; and
- iv) A reasonable estimate of the amount can be made.

Recognized liabilities include all costs directly attributable to asset retirement activities, including costs related to post-retirement operation, maintenance, and monitoring that is an integral part of the retirement of the tangible capital asset. Estimates are based on the Government's best estimate of the total expenditure required to complete retirement activities using information that was available at the reporting date.

When an asset retirement liability is initially recognized, asset retirement costs are capitalized and added to the carrying value of the related tangible capital asset. The capitalized asset retirement obligation is amortized on the same basis as the related tangible capital asset and any accretion expense is recognized in the statement of operations and accumulated surplus. Asset retirement costs related to unrecognized tangible capital assets and tangible capital assets no longer in productive use are immediately expensed.

The estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. The liability is discounted using a present value calculation and adjusted annually for accretion expense. The discount rate used reflects the Government's cost of borrowing, associated with the estimated number of years to complete the retirement or remediation.

At each financial reporting date, the carrying amount of the liability is reviewed. The Government recognizes period-to-period changes to the liability due to the passage of time as an accretion expense. Changes to the liability arising from revisions to either the timing or the original estimate of the undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Government continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(n) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Transfers from the Government of Canada are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability and is recorded as deferred revenue.

Taxes

Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act*. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Tax concessions transferred to taxpayers include the Nunavut child benefit, the cost of living tax credit and the business training tax credit. Taxes, under the *Income Tax Act*, are administered by the Government of Canada on behalf of the Government of Nunavut under a tax collection agreement and are remitted to the Government. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are finalized. These income tax adjustments are accounted for in the period they become known.

Fuel, tobacco, and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Tobacco tax commission on tobacco tax revenue provides a financial benefit other than relief of taxes and is recorded as an expense.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Government non tax revenues

Government non tax revenues consist of revenues that are non exchange transactions and exchange transactions which contain performance obligations.

For non exchange transactions, revenues are recognized when the Government has the authority to obtain the related economic benefit and there is an expectation that such benefits will be obtained.

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are generally recognized as performance obligations are fulfilled. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in unearned revenue provided the definition of a liability is met and are subsequently recognized as revenue as performance obligations are met. All revenues with performance obligations are recurring in nature unless otherwise stated.

Revenue Source	Performance Obligation	Recognition and Measurement
Sales		
- Petroleum Products Revolving Fund	To provide petroleum products (e.g. gas and heating oil)	Revenue is recognized at a point in time when petroleum products are delivered to the customer at the selling price in effect at the time of delivery.
- Liquor Revolving Fund	To provide products (e.g. alcohol)	Revenue is recognized at a point in time when the product is provided to the customer at the selling price in effect at the time of sale.

Recoveries of prior years expenditures

Recoveries of prior years expenditures, including reversals of prior years expenditure over-accruals, are reported separately from other revenues on the statement of operations and accumulated surplus. Pursuant to subsection 36(9) of the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

(o) Expenses

Expenses are recorded on an accrual basis when goods are received or services are rendered.

Grants and contributions are recognized as expenses provided that the transfer is authorized and all eligibility criteria have been met by the recipient. Grants and contributions include transfer payments to individuals, municipalities and other organizations under government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. These payments are based on age, family status, income, and employment criteria. Other grants and contributions are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities.

(p) Contingencies

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur and is quantifiable, an estimated liability is accrued as part of accounts payable and accrued liabilities. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies, pending litigation and/or like items.

(q) Contaminated sites

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment in concentrations that exceed the maximum acceptable amount under an environmental standard.

A liability for remediation of a contaminated site is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Government is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability for contaminated sites reflects government management's best estimate of the amount required to remediate sites to the current minimum standard for its use prior to the contamination. The liability is recognized net of any expected recoveries and includes all costs directly attributable to remediation activities, including post remediation operations, maintenance and monitoring.

The liability is adjusted each year for the passage of time, new obligations, changes in management estimates and actual costs incurred. If the likelihood of a future event that would confirm the Government's responsibility is not determinable, a contingent liability is disclosed in the notes to the financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Future change in accounting standards

The Public Sector Accounting Board issued the Conceptual Framework for Financial Reporting in the Public Sector with an effective date of 1 April 2026. A conceptual framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards. It prescribes the nature, function and limits of financial accounting and reporting. The territory plans to adopt this framework on the effective date and is currently analyzing the impact on its consolidated financial statements.

PS 1202 *Financial Statement Presentation* standard was issued by the Public Sector Accounting Board and has an effective date of April 1, 2026. PS 1202 defines how financial statement information is presented. Key changes include the removal of the statement of change in net financial assets or net debt, the addition of a new statement of net assets or net liabilities, and guidance on how this amount is determined. The Government is continuing its assessment of the impact that the new standard will have on its financial statements and will adopt this new standard on its effective date.

3 CASH AND CASH EQUIVALENTS	2025	2024
Cash and cash equivalents	944,070	150,941

During the year, government earned interest of prime less 1.80% on its net bank balances (2024 - prime less 1.65%).

4 DUE FROM THE GOVERNMENT OF CANADA	2025	2024
Grant receivable:		
From the Government of Canada (Schedule A)	2,109,474	1,971,420
Less: Payments received	(2,109,474)	(1,971,420)
	-	-
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	279,793	361,237
	279,793	361,237

The amounts due from the Government of Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to receipt.

5 ACCOUNTS RECEIVABLE	2025	2024
Receivable by funds		
Consolidated Revenue Fund ¹	157,310	129,001
Petroleum Products Revolving Fund	122,583	145,594
Public Stores Revolving Fund	41	153
Liquor and Cannabis Revolving Fund	58	55
	279,992	274,803
Less: Allowance for doubtful accounts	(41,854)	(37,799)
	238,138	237,004
Receivable by relation with the creditors		
Nunavut Arctic College	6,591	8,546
District Education Authorities	2,714	3,631
Nunavut Business Credit Corporation	819	106
Nunavut Development Corporation	1	13
Nunavut Housing Corporation	24,883	14,417
Qulliq Energy Corporation	41,192	63,861
Receivables from related parties	76,200	90,574
	203,792	184,229
Other accounts receivable ¹	279,992	274,803
Less: Allowance for doubtful accounts	(41,854)	(37,799)
	238,138	237,004

¹ On March 6, 2025, the Ontario Superior Court of Justice approved a \$32.5 billion settlement agreement under Canada's Companies' Creditors Arrangement Act arising from litigation against three major tobacco companies over healthcare-related costs.

Under the terms of the settlement, \$24.7 billion will be payable to the Provinces and Territories of Canada, with the upfront payment being \$6.5 billion. These payments are expected to be received for the next 20 years. Nunavut's share of the settlement is 0.38%, approximately \$93.83M of the total \$24.73B owed to the provinces and territories.

The receivable of \$60.85M represents revenue recorded in 2025 and is measured at net present value. In August and September 2025, the Government received an initial upfront payment of \$24.31M. The remaining balance will be paid in annual instalments tied to a percentage of the tobacco companies' net aftertax income until the amount is fully paid.

There is significant uncertainty relating to the amount and timing of these future payments as they are dependent on the profitability of the tobacco companies and the sale of their products. Actual revenue may vary significantly from this estimate.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

6 INVENTORIES	2025	2024
(a) For resale		
Bulk fuels	195,740	229,158
Liquor products	7,828	9,117
	<u>203,568</u>	<u>238,275</u>

The write-down for bulk fuels inventory for 2025 was \$564 (2024 - \$386).

(b) For use		
Health and medical supplies	4,441	4,299

7 LOANS RECEIVABLE	2025	2024
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Working capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between 2.50% and 4.23% (2024 - 3.40% and 4.64%) at the end of the month, compounded annually.

	15,895	13,443
--	--------	--------

Student Loan Fund loans, interest rate of 0.00% (2024 - 0.00%), net of doubtful accounts and valuation allowances of \$8,285 (2024 - \$7,348).

	2,723	2,410
--	-------	-------

Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning September 1, 2021 in equal instalments of \$173. The final instalment, including any other amounts accrued under this loan, is payable August 31, 2031.

	14,504	15,732
--	--------	--------

Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning July 1, 2022 in equal instalments of \$230. The final instalment, including any other amounts accrued under this loan, is payable June 30, 2032.

	20,065	21,663
--	--------	--------

Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning April 1, 2024 in equal instalments of \$266. The final instalment including any other amounts accrued under this loan, is payable March 31, 2033.

	21,062	23,025
--	--------	--------

Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning April 1, 2024 in equal instalments of \$266. The final instalment including any other amounts accrued under this loan, is payable March 31, 2034.

	23,100	-
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Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning March 1, 2025 in equal instalments of \$417. The final instalment including any other amounts accrued under this loan, is payable March 31, 2045.

	52,000	-
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Other, net of valuation allowances of \$64 (2024 - \$64).

	-	-
	<u>149,349</u>	<u>76,273</u>

8 PORTFOLIO AND OTHER INVESTMENTS	2025			2024
	Effective Rate of Return	Term to Maturity	Carrying Value	Carrying Value

Portfolio investments

Guaranteed Investment Certificates	5.32% - 5.62%	136 - 939 days	210,986	705,780
			<u>210,986</u>	<u>705,780</u>

Other investments

SRAF designated investments			34,987	31,169
			<u>245,973</u>	<u>736,949</u>

The market value of the portfolio investments at March 31, 2025 was \$210,986 (2024 - \$705,780).

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms of investments. SRAF portfolio investments consist of an ownership interest in a balanced fund which contains cash and cash equivalents, fixed income instruments and equity investments. The market value of SRAF investments at March 31, 2025 was \$38,415 (2024 - \$34,410) with a positive return of 8.55% (2024 - positive 9.53%).

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2025	2024
To related parties		
Nunavut Arctic College	2,574	1,617
District Education Authorities	3,621	4,325
Nunavut Business Credit Corporation	235	6
Nunavut Development Corporation	233	77
Nunavut Housing Corporation	2,817	2,031
Qulliq Energy Corporation	17,365	17,349
	<u>26,845</u>	<u>25,405</u>
To others		
Accounts payable	244,913	185,365
Accrued liabilities, payroll deductions, and contractor holdbacks	288,779	219,301
Vacation pay and time in lieu	40,211	42,400
Due to the Government of Canada	43,784	48,098
Due to the Government of the Northwest Territories	2,039	6,710
	<u>619,726</u>	<u>501,874</u>
	<u>646,571</u>	<u>527,279</u>

All amounts above are non-interest bearing.

10 DEFERRED REVENUES

	Balance April 1, 2024	Receipts during the year	Transfer to revenue	Balance March 31, 2025
Canada Community Building Fund Agreement	89,835	22,395	(16,913)	95,317
Nunavut Implementation Agreement	21,244	27,474	(7,858)	40,860
Other deferred revenue	42,485	48,783	(33,917)	57,351
Nunavut Lands and Resources Devolution Agreement	-	23,400	-	23,400
Nunavut Wellness Agreement	24,118	22,297	(24,117)	22,298
Provincial-Territorial Base Funding (Building Canada Fund)	1,019	43	-	1,062
	<u>178,701</u>	<u>144,392</u>	<u>(82,805)</u>	<u>240,288</u>

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2024-25 and beyond, as the government fulfills its obligations from purpose or other stipulations for the use of these funds the associated revenue will be recognized.

11 LIABILITY FOR CONTAMINATED SITES

	2025	2024
Liabilities for remediation of contaminated sites	7,461	7,371

The Government's activities are subject to various federal and territorial laws and regulations, such as the Environmental Protection Act of Nunavut and the Environmental Guideline for Contaminated Site Remediation - 2010, governing the protection of the environment or to minimize any adverse impact thereon. The Government conducts its operations to protect public health and the environment and believes its operations are in compliance with all applicable laws and regulations.

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2025, there were 2 town sites (2024 - 6) - 1 storage tank farm (2024 - 1) and 2 waste sites - (2024 - 4), identified as requiring environmental remediation. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these financial statements. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability is either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

The Government has identified an additional 92 (2024 - 92) sites on Commissioner land for which liabilities for contamination may exist for assessment, remediation and/or monitoring. The activities associated with these sites are classified as follows:

	2025	2024
Storage tank farms	25	25
Power plants	29	29
Town and waste sites	11	11
Garages and other public works	5	5
Airports	21	21
Quarries	1	1
	<u>92</u>	<u>92</u>

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

11 LIABILITY FOR CONTAMINATED SITES (continued)

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 14 storage tank farm sites and 29 power plant sites (2024 - 14 and 29) would cost, without considering inflation, approximately \$9,667 and \$52,000 (2024 - \$9,667 and \$38,940), respectively. In addition, the Government has estimated that remediation at the other sites could cost, without considering inflation, between \$225,074 - \$296,299 (2024 - \$225,074 - \$296,299) depending on the approach taken. No liability for remediation of these 92 sites (2024 - 92) has been recognized in these financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirement to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized only when future economic benefits are expected to be given up (i.e. public health risk or legal requirement).

Most storage tank farms and power plants are monitored on a regular basis to ensure the containment of the identified contaminants. For the other Government of Nunavut's operations and/or sites, there is no ongoing monitoring program in place, but plans for one are to be developed in the future.

In addition, the Government has identified 145 (2024 - 145) sites where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

12 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS

There are separate pension arrangements in place to provide retirement benefits to government employees and to Members of the Legislative Assembly (MLAs). In addition to pension benefits, the government provides severance, removal and sick leave benefits to employees as well as retirement health benefits. These non-pension benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit obligations, which are estimated actuarially using information and assumptions approved by management. As of March 31, the liabilities for pensions and other employee benefit arrangements were as follows:

	2025	2024
Pension Benefits		
Pension plans for MLAs	23,171	23,666
Total pension benefits	23,171	23,666
Other Employee Benefits		
Severance and removal	14,197	15,927
Retirement health benefits	76,566	70,295
Sick leave and special	5,355	8,503
Total other employee benefits	96,118	94,725
Total pension and other employee benefits	119,289	118,391

Public Service Pension Plan

Substantially all of the employees of the Government are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits. The plan is indexed to inflation. Contributions are required by both the employee and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The effective contribution rate at March 31, 2025 was 1.01 times the members rate (2024 - 1.02 times) for members enrolled before January 1, 2013, and 1.0 times the members rate (2024 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of \$41,994 (2024 - \$39,166) were recognized as an expense in the current year. Total employee contributions were \$41,748 (2024 - \$39,051).

Pension Plans for MLAs

The Government sponsors two defined benefit pension plans for MLAs. Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's Consolidated Revenue Fund. This plan came into effect during the 2001-02 year, and provides for benefits retroactive to April 1, 1999.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for at least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

12 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

The normal retirement age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2025 (no changes in 2024).

As per the *Legislative Assembly Retiring Allowance Fund Act* and the *Supplementary Retiring Allowance Fund Act*, an actuarial valuation is to be done as at April 1 following each general election, not necessarily every three years. The last actuarial valuations were completed for these plans as of April 1, 2025. The valuations were performed using the projected unit credit actuarial cost method. The valuations were based on a number of assumptions as approved by the Management and Services Board of the Legislative Assembly and represents the best estimates of expected long-term experience and short-term forecast, as well as the demographic assumptions underlying the most recent actuarial valuations for funding purposes. The main assumptions include inflation rate of 2.0% (2024 - 2.0%), expected discount rate of 4.7% (2024 - 4.9%), return on assets of 5.15% (2024 - 5.85%), increases in remuneration of 3.0% (2024 - 3.0%), and mortality.

The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2025	2024
Accrued benefit obligation	15,256	26,384	41,640	36,752
Deduct:				
Pension fund assets	22,686	-	22,686	20,583
Amortization of actuarial (gain) / loss	(2,595)	(1,622)	(4,216)	(7,497)
	20,091	(1,622)	18,470	13,086
Pension (asset) liability	(4,835)	28,006	23,170	23,666

As at March 31, 2025, the LARAF pension fund assets had a market value of \$23,422 (2024 - \$20,965). The actual rate of return was positive 8.71% (2024 - positive 9.84%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 8).

LARAF and SRAF actuarial gains/losses are both amortized over 4.7 years (2024 - 5.7 years for both) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2025	2024
Current period benefit cost	1,228	1,921	3,149	3,001
Unamortized actuarial (gain) / loss	(1,212)	(1,113)	(2,325)	(2,173)
	16	808	824	828
MLAs contributions	(343)	-	(343)	(317)
Pension expense	(327)	808	481	511
Interest cost on the average accrued benefit obligation	702	1,219	1,921	1,749
Expected return on average pension plan assets	(1,091)	-	(1,091)	(1,082)
Pension interest expense	(389)	1,219	830	667
Total pension expenses	(716)	2,027	1,311	1,178

Pension benefits paid for the LARAF and SRAF were \$491 and \$901, respectively (2024 - \$455 and \$916, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$916 and \$1,917, respectively (2024 - \$841 and \$1,824, respectively).

The changes in the other employee benefits liabilities during the year were as follows:

	Severance and removal	Sick and special leave	Retirement health benefits	2025	2024
Accrued benefit obligations at beginning of the year					
	13,276	6,022	62,954	82,252	80,633
Benefits earned	1,514	1,830	4,240	7,584	7,141
Interest cost on the average accrued benefit	488	202	2,577	3,267	3,200
Benefits paid	(3,185)	(4,359)	(1,283)	(8,827)	(8,722)
Subtotal	12,093	3,695	68,488	84,276	82,252
Actuarial (gain) / loss	6,662	9,830	(44,546)	(28,054)	-
Accrued benefit obligations at end of the year	18,755	13,525	23,942	56,222	82,252
Unamortized net actuarial gain / (loss)	(4,558)	(8,170)	52,624	39,896	12,473
Other employee benefits liabilities at end of the year	14,197	5,355	76,566	96,118	94,725

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

12 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

	Severance and removal	Sick and special leave	Retirement health benefits	2025	2024
Benefit Expenses					
Benefit earned for the period	1,514	1,830	4,240	7,584	7,141
Actuarial (gain) loss on benefit obligation	6,662	9,830	(44,546)	(28,054)	-
Amortization of net actuarial gain / (loss) recognized during the year	(615)	(817)	-	(1,432)	580
Other employee benefits expense	7,561	10,843	(40,306)	(21,902)	7,721
Interest cost on the average accrued benefit	488	202	2,577	3,267	3,200
Total expense related to other employee benefits	8,049	11,045	(37,729)	(18,635)	10,921

13 LIABILITY FOR IQUALUIT INTERNATIONAL AIRPORT

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The airport officially opened and began operations on August 9, 2017. The capital cost of the project was \$298.43 million. These costs are reflected in the tangible capital assets balances in Schedule B. The Government of Canada contributed \$74.16 million toward the capital cost of the project.

	2025	2024
Loan payable to private sector partner in monthly installments of \$1,069 to December 2047, bearing interest at a rate of 7.23%.	143,045	145,441

The private sector partner has no ownership rights. They are entitled to payments for operating, maintenance and life cycle costs as well as payments in the event the agreement is terminated. The calculation of the termination payment is defined by the agreement and is dependent on the circumstances which gave rise to the termination. Termination payment amounts can include the balance of any outstanding debt and related interest, unpaid amounts owing up to the termination date and/or an adjusted estimated market value which includes all future availability payments as defined by the agreement.

The agreement requires the private sector partner to obtain and maintain an airport operating license and to operate the airport for the period of the agreement which expires in December of 2047. The private sector partner is responsible for all operating costs related to the airport and the Government of Nunavut must provide monthly operating and maintenance payments to the partner as well as the payment of capital life cycle costs as provided for in the agreement. The required payments are included in contractual obligations in Note 19. Amounts are estimated and include inflation at the rate of 3%.

	2025	2024
Operating and maintenance	410,749	422,019
Life cycle costs	179,689	179,811
	590,438	601,830

Interest expense on long-term debt relating to the Iqaluit International Airport was \$10,435 for the year (2024 - \$10,601). Interest paid during the year was \$10,435 (2024 - \$10,601).

Minimum debt payments, including principal and interest, for each of the next five years and beyond are as follows:

	Principal	Interest	Total
2026	2,574	10,256	12,830
2027	2,766	10,063	12,829
2028	2,973	9,857	12,830
2029	3,195	9,635	12,830
2030	3,434	9,396	12,830
2031 and beyond	128,103	99,626	227,729
	143,045	148,833	291,878

14 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of March 31. The original capital leases, with terms of 20 years, expired between 2019 and 2020. On July 1, 2017, the Government entered into lease amending and extension agreements with the lessor that extended the original terms by another 10 years.

	2025	2024
Total minimum lease payments	30,204	37,258
Less: Imputed interest	(1,532)	(2,320)
Present value of minimum lease payments	28,672	34,938

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

14 CAPITAL LEASE OBLIGATIONS (continued)

Minimum lease payments, including principal and interest, for each of the next five years and beyond are as follows:

	Principal	Interest	Total
2026	6,438	615	7,053
2027	6,495	437	6,932
2028	5,988	286	6,274
2029	6,121	153	6,274
2030	3,630	41	3,671
	28,672	1,532	30,204

Lease payments are allocated between repayment of the liability and interest expense. The total minimum lease payments less the initial liability represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$788 (2024 - \$954) at an implied average interest rate of 7.0% (2024 - 7.0%). Interest paid for the year was \$788 (2024 - \$954). The capital lease obligations expire between 2023 and 2030.

15 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM PROJECT

	2025	2024
Project financing payable - Northern Baffin	11,130	-
Project financing payable - Kivalliq	13,698	15,758
	24,828	15,758

The Nunavut Energy Management Program Project - Northern Baffin region, is in the implementation phase and therefore, the future payments schedule is not determinable at this time. The Government has entered into a contract for \$18,100 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. The project is expected to be completed by September 2025. Interest expense on the project for the year was \$667 (2024 - \$534). Interest paid during the year was \$1,309 (2024 - \$0).

Under the Nunavut Energy Management Program Project - Kivalliq region, the government has entered into a contract for \$25,409 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. Payments are due monthly at \$254 beginning November 2022 to July 2030 at an interest rate of 6.63% (2024 - 6.3%). Interest expense on the project for the year was \$983 (2024 - \$1,115)

Future payments for the Nunavut Energy Management Program Kivalliq Project, for each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2026	2,201	842	3,043
2027	2,352	692	3,044
2028	2,513	531	3,044
2029	2,684	359	3,043
2030	2,868	176	3,044
2031 and beyond	1,080	16	1,096
	13,698	2,616	16,314

16 ASSET RETIREMENT OBLIGATIONS

The Government owns and operates buildings that are known to have asbestos, lead, mercury and/or PCBs which represents a health hazard upon demolition of the building. There is a legal obligation to remove these contaminants in accordance with *Canada Occupational Health and Safety Regulations (10.26 Schedule, Division II – Hazardous Substances Other than Hazardous Products)*. The Government has recognized an obligation relating to the removal and post-removal care of asbestos, lead, mercury and/or PCBs. Post-closure care is estimated to extend for up to one year after the closure of the building while demolition and decommissioning continues.

The initial recognition of asset retirement obligations involved an increase to the buildings cost with a corresponding increase in the ARO liability. The liability was estimated using costs for similar remediations and then discounted to the present value amount using a discount rate. There are no expected recoveries and the estimated liability includes a contingency of 10%. No assets have been designated to settle any asset retirement obligation and amortization of the asset retirement cost is on the same basis as the related tangible capital asset.

	2025	2024
Balance, beginning of year	15,163	82,766
Liabilities incurred during the year	-	-
Liabilities settled during the year	-	-
Accretion expense	508	2,516
Asset adjustments	-	304
Revisions to estimated cash flow and revaluation ¹	-	(70,423)
Balance, end of year	15,671	15,163

¹ Reflecting changes in the estimated cash flows due to new information and a change in the discount rate.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

16 ASSET RETIREMENT OBLIGATIONS (continued)

In addition to assumptions based on the costing and prevalence of asset retirement obligations determined using sample testing of units throughout the territory, the following is a summary of the key information and assumptions upon which the carrying amount of the asset retirement obligations are based:

	2025	2024
(i) Total undiscounted asset retirement obligations	21,080	21,080
(ii) Expected timing of payments	2026 to 2054	2025 to 2054
(iii) Discount rate	3.36%	3.35%
(iv) Inflation rate	2.00%	2.00%

The sensitivity of key assumptions relating to the provision are:

i) A 1% increase in the discount rate would decrease the obligation by	1,038	1,392
ii) A 1% increase in the inflation rate would increase the obligation by	1,606	2,160

17 PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund was created under the authority of the *Revolving Funds Act*. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold, and distributed by the Government. The net profit (loss) of the Petroleum Products Revolving Fund is charged to the Petroleum Products Stabilization Fund. The surplus or deficit balance in the fund cannot exceed \$20,000.

	2025	2024
Surplus (deficit), beginning of year	(19,220)	(20,000)
Petroleum Products Revolving Fund net profit (loss) for the year	12,992	780
Minimum transfer required from (to) Consolidated Revenue Fund	-	-
Surplus (deficit), end of year	(6,228)	(19,220)

18 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2025:

	Total
Operating leases (Schedule 5)	104,505
Capital commitments	156,180
Operational commitments	1,021,524
Policing agreement	485,688
Iqaluit International Airport Improvement commitments	590,438
	<u>2,358,335</u>

Contractual obligations for each of the next five years and beyond are as follows:

2026	604,952
2027	360,321
2028	225,737
2029	158,124
2030	136,060
2031 and beyond	873,141
	<u>2,358,335</u>

19 CONTRACTUAL RIGHTS

The Government enters into various agreements to provide goods and services with various businesses and government agencies. These agreements will result in revenue and assets in the future. The following table summarizes the contractual rights of the Government where the terms of those agreements are met.

	Total
Canada Infrastructure Plan	568,235
Health Canada Agreements	122,875
New Building Canada Fund	224,017
Others / Third Party Agreements	1,039,599
	<u>1,954,726</u>

Contractual rights for each of the next five years and beyond are as follows:

2026	382,371
2027	501,672
2028	366,182
2029	243,088
2030	128,110
2031 and beyond	333,303
	<u>1,954,726</u>

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Non-Consolidated Financial Statements (unaudited)
March 31, 2025
(in thousands of dollars)

20 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated. As at March 31, 2025, no new post-division adjustments were recorded.

(b) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$270 (2024 - \$270). No liability has been recorded for these claims as the outcome of these cases is not determinable.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims includes wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$64,522 (2024 - \$130,958). No liability has been recorded for these claims as the outcome of these cases is not determinable.

The nature of these claims are as follows:

- Contract disputes
- Negligence
- Sexual assault claims
- Termination disputes
- Other matters

(c) Loan guarantees

As part of its financing, the Qulliq Energy Corporation (QEC) has arranged various credit facilities at different terms and interest rates. The Government has guaranteed the following QEC credit facilities:

	2025	2024
Bank credit facility, interest at prime minus 0.50%	-	-
Variable rate capital loan facility due April 2024, interest at prime minus 0.50%	-	8,067
Variable rate capital loan facility due April 2032, interest at prime minus 0.50%	132,516	149,745
Total guarantees provided on balances outstanding	132,516	157,812

The QEC has a bank credit facility limit of \$20,000 (2024 - \$20,000). The non-revolving committed and bridge loan facilities above each, has an option to utilize BAs with stamping fees calculated at 50 bps per annum with terms not less than 7 days and not more than 365 days and issued and re-issued in minimum aggregate amounts of \$1,000 Canadian and multiples thereof.

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of prime plus 0.50% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2025, NDC's bank overdraft position was nil (2024 - nil).

21 RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year, the Government made grants and contributions to or funded other costs for the following related parties:

	2025	2024
Nunavut Arctic College	1,041	297
District Education Authorities	18,820	14,518
Nunavut Development Corporation	3,652	3,683
Nunavut Business Credit Corporation	900	900
	24,413	19,398

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of \$52,890 (2024 - \$52,996) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B.1).

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

22 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties. These trust accounts are not included in the reported assets and liabilities of the Government.

	2025	2024
Public Trustee	9,385	8,681
Natural Resources Conservation Trust	871	2,140
Territorial Court Trust	2,540	667
	12,796	11,488

23 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Government is exposed to certain risks as a result of holding financial instruments. There have been no changes to the risks compared to prior year and no change in the methods and practices used to manage these risks. The following risks have no significant impact on the Government's financial statements.

(a) Credit Risk

Credit risk is the risk that a third party will be unable to fulfill its payment obligations and cause a financial loss to the Government. The Government is exposed to credit risk through its cash and cash equivalents, accounts receivable, portfolio and other investments and loans receivable. The maximum extent of the exposure is the carrying value at the reporting date. At year end, there were no known relevant concentrations of credit risk by type of customer or geography. The Government's credit risk exposure is mainly influenced by individual customer characteristics.

Exposure to credit risk associated with its cash and cash equivalents is substantially minimized by placing these assets in senior Canadian chartered banks and the Government monitors these assets. The Government invests surplus funds with a recognized large financial institution to earn investment income. Cash and cash equivalents are invested in short-term highly liquid investments that are readily convertible to cash with a maturity term of 3 months or less from the date of acquisition. As a result, credit risk arising from cash and cash equivalents is considered negligible.

To mitigate risk, the Government regularly monitors its accounts receivable and assesses collectability. Where collection is at risk, an allowance for doubtful accounts is recognized. The allowance is based on specific accounts and is determined by considering the Government's knowledge of the financial conditions of customers, the aging of the receivable, current business conditions and historical experience. Receivables from the Government of Canada are not considered impaired.

Accounts receivable are generally due in 60 days or less. The Government utilizes an allowance account for potential losses related to accounts receivable. Any amounts subsequently recovered are reflected as recoveries in the statement of operations and accumulated surplus.

The aging analysis of accounts receivable, for amounts past due but not impaired, is as follows:

	31-60 days	61-90 days	Over 90 days	2025	2024
Accounts receivable					
Consolidated revenue fund	-	-	58,646	58,646	41,468
Petroleum Products Division	9,018	4,317	12,512	25,847	41,875
	9,018	4,317	71,158	84,493	83,343

The above table excludes \$76.2M (2024 - \$90.6M) amounts from related parties as the amounts are not considered impaired. Amounts past due but not impaired are based on credit history and/or no indications that amounts will not be collected.

The Government's investment policy for portfolio and other investments is designed to limit credit risk. Portfolio and other investments risk is mitigated by investing in low-risk Guaranteed Investment Certificates and Bankers' Acceptances.

(b) Liquidity Risk

Liquidity risk is the risk that the Government will not be able to meet its short-term financial obligations. To manage liquidity risk, the Government maintains cash reserves (cash and cash equivalents) at levels that will meet future cash requirements. The Government's liquidity risk is further mitigated by its short-term portfolio investments, access to credit facilities and the timing of debt repayments.

A maturity analysis of the Government's financial liabilities is as follows (the contractual cash flows reported are the undiscounted principle payments):

	2026 Estimated	2027 to 2030	2031 to 2047	2025	2024
Accounts payable and accrued liabilities	646,571	-	-	646,571	520,683
Liability for Iqaluit International Airport	12,830	51,319	227,729	291,878	304,708
	659,401	51,319	227,729	938,449	825,391

The Government does not currently believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2025

(in thousands of dollars)

23 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the marketplace. The Government does not have significant exposure to interest rate risk on its portfolio investments as these investments are not held on the open market, are intended to be held until the end of the term and have fixed interest rates until that time. Although management monitors exposure to interest rate fluctuations, management does not employ any interest rate management policies to counteract interest rate fluctuations.

Long-term debt is comprised primarily of instruments with fixed interest rates; therefore the Government has not provided a sensitivity analysis to show the effect of interest rate changes on operating results.

The Government is not exposed to significant foreign exchange or other price risk.

24 BUDGET ADJUSTMENTS

The 2025 total revenue budget on page xi of the 2024-2025 Main Estimates is \$2,974,465. It includes \$2,543,178 of 'Revenues' and \$238,763 of 'Vote 5 Revenues' on page A-IV-5 of the 2024-2025 Main Estimates, plus \$192,524 of funding under third-party agreements for specific capital projects included on page A-IV-16 of the 2024-2025 Capital Estimates. The planned expenses to be funded by these additional revenues have been added to the affected budget totals disclosed in these financial statements.

The 2025 budget total for capital expenditures on Schedule B.2 of \$158,795 excludes the \$4,290 of CMHC capital projects and \$29,439 of Social Infrastructure Fund and Investment in Affordable Housing capital projects that were both budgeted for in Nunavut Housing Corporation. As a result, the budget totals for expenses and transfers under third-party funding agreements included in these financial statements is \$397,558 versus \$431,287 on page x of the 2024-2025 Main Estimates. The third party funded Infrastructure Projects under the New Building Canada Fund are included in Community and Government Services.

25 Expenditure Authority

Budgets are approved to provide Government with the spending authority to deliver programs and services. Section 32 of Nunavut's *Financial Administration Act* prohibits an expenditure from being incurred that causes the approved budget to be exceeded. During the year, four departments exceeded their approved budget and an operating and maintenance supplementary appropriation was approved subsequent to year-end, on September 15, 2025.

The following is a summary of the four departments budget and actual results.

	Original Vote	Transfers and Supplementary Appropriations ¹	Actuals	Variance ²
Department of Health				
Operations and maintenance				
Compensation and benefits	186,102	-	170,107	15,995
Grants and contributions	11,898	-	7,039	4,859
Other	322,292	86,469	476,889	(68,128)
	<u>520,292</u>	<u>86,469</u>	<u>654,035</u>	<u>(47,274)</u>
Department of Community and Government Services				
Operations and maintenance				
Compensation and benefits	59,886	(6,215)	57,387	(3,716)
Grants and contributions	85,977	51	84,706	1,322
Other	163,790	8,864	177,468	(4,814)
	<u>309,653</u>	<u>2,700</u>	<u>319,561</u>	<u>(7,208)</u>
Department of Economic Development and Transportation				
Operations and maintenance				
Compensation and benefits	20,747	(5,000)	22,210	(6,463)
Grants and contributions	24,842	-	23,527	1,315
Other	54,572	5,000	56,182	3,390
	<u>100,161</u>	<u>-</u>	<u>101,919</u>	<u>(1,758)</u>
Department of Family Services				
Operations and maintenance				
Compensation and benefits	38,171	(4,814)	43,026	(9,669)
Grants and contributions	83,681	7,644	90,886	439
Other	73,216	23,603	99,942	(3,123)
	<u>195,068</u>	<u>26,433</u>	<u>233,854</u>	<u>(12,353)</u>

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2025*(in thousands of dollars)*

26 Devolution of Authority

On January 18, 2024, the Government of Canada (Canada) and the Government of Nunavut and Nunavut Tunngavik Incorporated (NTI) signed the Nunavut Lands and Resources Devolution Agreement (Agreement). The Agreement transfers the administration and control of public lands and rights in respect of waters in Nunavut to the Commissioner of Nunavut. NTI is a signatory and a full party to the Agreement. NTI's primary role is to ensure that Inuit rights under the Nunavut Agreement are not infringed upon and that Inuit benefit from the devolution process. The target date of the transfer is April 1, 2027.

The Agreement includes the transfer of various assets, resources and funding from Canada to the Government. Funding includes one-time transitional funding of \$67.25 million and one-time human resource development funding of \$15 million. The residual amount of the one-time funding will be provided to the Government through funding agreements with Canada over the next three fiscal years after receipt of the initial payments. In addition, Canada will provide the Government with ongoing annual funding of \$85.8 million by making an adjustment, on the transfer date, to the Gross Expenditure Base as determined under the Federal-Provincial Fiscal Arrangements Act and Federal-Provincial Fiscal Arrangements Regulations, 2007 or any successor program governing the financial arrangements between Canada and the Government.

As of March 31, 2025, the Government received a total of \$35.4 million—\$26.4 million in transitional funding and \$9.0 million in human resource development funding. Of this amount, \$23.4 million (\$20.4 million in transitional funding and \$3.0 million in human resource development funding) was received during fiscal year 2024–25.

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Revenues by Source (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

	2025 Budget	2025 Actual	2024 Actual
From the Government of Canada			
Territorial Formula Financing	2,109,474	2,109,474	1,971,420
Transfers under third-party funding agreements	393,659	431,092	457,808
Other transfer payments	128,100	121,335	126,366
	2,631,233	2,661,901	2,555,594
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	39,600	44,793	38,914
Corporate income tax	20,900	27,305	15,321
Payroll tax	44,300	48,483	43,318
Tobacco tax	24,000	23,129	23,956
Fuel tax	21,900	25,072	19,857
Property tax	15,900	16,682	14,533
Insurance tax	3,600	4,738	3,859
Cannabis tax	300	-	-
	170,500	190,202	159,758
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of \$238,405 (2024 - \$225,674)	41,004	43,282	31,166
Nunavut Liquor and Cannabis revenue - net of cost of goods sold of \$9,510 (2024 - \$8,503)	13,400	11,774	13,227
Staff housing recoveries	21,300	25,606	19,965
Transfers under third-party funding agreements	3,899	755	2,108
Insurance proceeds	-	71	7,543
Interest on cash deposits	-	25,114	11,056
Other ¹	45,400	122,168	59,662
	125,003	228,770	144,727
Recoveries of prior years expenditures (Schedule 1)	14,000	25,869	25,228
Total revenues	2,940,736	3,106,742	2,885,307

¹ Includes \$60.85M (2024 - nil) in tobacco settlement proceeds.

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

	Original Budget	Actual	(Over) Under Original Budget
TOTALS			
FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)			
Operations and maintenance expenses before amortization	2,123,841	2,266,447	(142,606)
Plus: Amortization expense on tangible capital assets	81,602	93,559	(11,957)
Plus: Accretion expense on asset retirement obligations	-	508	(508)
Plus: Asset retirement obligations (gain) loss	-	-	-
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,205,443	2,360,514	(155,071)
Capital expenditures	355,772	277,765	78,007
Less: Transfers to tangible capital assets	133,011	89,748	43,263
Total capital expenses	222,761	188,017	34,744
Total appropriation expenses	2,428,204	2,548,531	(120,327)
FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)			
Operations and maintenance expenses before amortization	238,763	363,790	(125,027)
Plus: Amortization expense on tangible capital assets	-	-	-
Total operations and maintenance expenses	238,763	363,790	(125,027)
Capital expenditures	158,795	75,372	83,423
Less: Transfers to tangible capital assets	-	60,985	(60,985)
Total capital expenses	158,795	14,387	144,408
Total third-party agreement expenses	397,558	378,177	19,381
FUNDED BY REVOLVING FUNDS (Schedule B.3)			
Operations and maintenance expenses before amortization	54,230	46,558	7,672
Plus: Amortization expense on tangible capital assets	-	-	-
Total operations and maintenance expenses	54,230	46,558	7,672
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	54,230	46,558	7,672
NON-CONSOLIDATED STATEMENTS TOTALS			
Operations and maintenance expenses before amortization and write-down of tangible capital assets	2,416,834	2,676,795	
Plus: Centrally estimated 'Supplementary Requirements' per page x of 2024-2025 Main Estimates	100,000	-	
Less: Capital portion of the estimated 'Supplementary Requirements'	-	-	
Total operations and maintenance expenses before amortization and write-down of tangible capital assets	2,516,834	2,676,795	(159,961)
Plus: Amortization expense on tangible capital assets	81,602	93,559	(11,957)
Plus: Accretion expense on asset retirement obligations	-	508	(508)
Plus: Asset retirement obligations (gain) loss	-	-	-
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,598,436	2,770,862	(172,426)
Capital expenditures	514,567	353,137	
Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2024-2025 Main Estimates	(18,209)	-	
Plus: Capital portion of the estimated 'Supplementary Requirements'	-	-	
Total capital expenditures	496,358	353,137	143,221
Less: Transfers to tangible capital assets	133,011	150,733	(17,722)
Total capital expenses	363,347	202,404	160,943
Total expenses	2,961,783	2,973,266	(11,483)

Total expenses above includes, among other items, interest expense of \$13,729 (2024 - \$12,797) and a net decrease in valuation allowances of \$5,220 (2024 - \$4,278).

Total capital expenditures above includes capital grants and contributions of \$137,590 (2024 - \$181,763).

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
LEGISLATIVE ASSEMBLY						
Operations and maintenance						
Compensation and benefits	16,798	-	-	16,798	14,086	2,712
Grants and contributions	-	-	-	-	-	-
Other	13,385	-	-	13,385	10,393	2,992
	30,183	-	-	30,183	24,479	5,704
Capital expenditures	250	-	-	250	224	26
Total spending under appropriations	30,433	-	-	30,433	24,703	5,730
EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS						
Operations and maintenance						
Compensation and benefits	17,218	-	(1,620)	15,598	14,581	1,017
Grants and contributions	335	-	1,020	1,355	1,371	(16)
Other	4,336	-	600	4,936	5,937	(1,001)
	21,889	-	-	21,889	21,889	-
Capital expenditures	-	41	-	41	-	41
Total spending under appropriations	21,889	41	-	21,930	21,889	41
FINANCE						
Operations and maintenance						
Compensation and benefits	45,790	-	(140)	45,650	41,523	4,127
Grants and contributions	18,621	-	-	18,621	9,631	8,990
Other	44,420	-	140	44,560	53,768	(9,208)
	108,831	-	-	108,831	104,922	3,909
Capital expenditures	10,356	24,273	-	34,629	21,786	12,843
Total spending under appropriations	119,187	24,273	-	143,460	126,708	16,752
HUMAN RESOURCES						
Operations and maintenance						
Compensation and benefits	17,639	-	(1,607)	16,032	14,249	1,783
Grants and contributions	-	-	-	-	-	-
Other	11,752	-	1,607	13,359	10,146	3,213
	29,391	-	-	29,391	24,395	4,996
Capital expenditures	-	-	-	-	1	(1)
Total spending under appropriations	29,391	-	-	29,391	24,396	4,995
JUSTICE						
Operations and maintenance						
Compensation and benefits	61,096	-	(300)	60,796	63,844	(3,048)
Grants and contributions	18,718	-	-	18,718	17,565	1,153
Other	92,229	-	300	92,529	84,408	8,121
	172,043	-	-	172,043	165,817	6,226
Capital expenditures	3,339	5,175	-	8,514	5,374	3,140
Total spending under appropriations	175,382	5,175	-	180,557	171,191	9,366

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
CULTURE AND HERITAGE						
Operations and maintenance						
Compensation and benefits	13,470	-	(1,430)	12,040	10,774	1,266
Grants and contributions	8,472	-	-	8,472	7,380	1,092
Other	6,063	-	1,430	7,493	6,570	923
	28,005	-	-	28,005	24,724	3,281
Capital expenditures	1,200	450	-	1,650	1,090	560
Total spending under appropriations	29,205	450	-	29,655	25,814	3,841
EDUCATION						
Operations and maintenance						
Compensation and benefits	198,091	-	(3,300)	194,791	185,844	8,947
Grants and contributions	43,852	-	-	43,852	41,601	2,251
Other	37,762	-	3,300	41,062	34,919	6,143
	279,705	-	-	279,705	262,364	17,341
Capital expenditures	30,900	57,385	-	88,285	50,975	37,310
Total spending under appropriations	310,605	57,385	-	367,990	313,339	54,651
HEALTH						
Operations and maintenance						
Compensation and benefits	186,102	-	-	186,102	170,107	15,995
Grants and contributions	11,898	-	-	11,898	7,039	4,859
Other	322,292	86,469	-	408,761	476,889	(68,128)
	520,292	86,469	-	606,761	654,035	(47,274)
Capital expenditures	21,720	29,790	-	51,510	7,651	43,859
Total spending under appropriations	542,012	116,259	-	658,271	661,686	(3,415)
ENVIRONMENT						
Operations and maintenance						
Compensation and benefits	18,267	-	-	18,267	17,125	1,142
Grants and contributions	1,544	-	-	1,544	1,306	238
Other	7,716	-	-	7,716	7,533	183
	27,527	-	-	27,527	25,964	1,563
Capital expenditures	2,450	4,484	-	6,934	1,756	5,178
Total spending under appropriations	29,977	4,484	-	34,461	27,720	6,741
COMMUNITY AND GOVERNMENT SERVICES						
Operations and maintenance						
Compensation and benefits	59,886	-	(6,215)	53,671	57,387	(3,716)
Grants and contributions	85,977	-	51	86,028	84,706	1,322
Other	163,790	2,700	6,164	172,654	177,468	(4,814)
	309,653	2,700	-	312,353	319,561	(7,208)
Capital expenditures	157,139	137,571	-	294,710	77,880	216,830
Total spending under appropriations	466,792	140,271	-	607,063	397,441	209,622
ECONOMIC DEVELOPMENT AND TRANSPORTATION						
Operations and maintenance						
Compensation and benefits	20,747	-	(5,000)	15,747	22,210	(6,463)
Grants and contributions	24,842	-	-	24,842	23,527	1,315
Other	54,572	-	5,000	59,572	56,182	3,390
	100,161	-	-	100,161	101,919	(1,758)
Capital expenditures	43,849	21,171	-	65,020	26,955	38,065
Total spending under appropriations	144,010	21,171	-	165,181	128,874	36,307

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule B.1

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
FAMILY SERVICES						
Operations and maintenance						
Compensation and benefits	38,171	733	-	38,904	43,026	(4,122)
Grants and contributions	83,681	4,420	-	88,101	90,886	(2,785)
Other	73,216	21,280	-	94,496	99,942	(5,446)
	195,068	26,433	-	221,501	233,854	(12,353)
Capital expenditures	1,900	336	-	2,236	1,404	832
Total spending under appropriations	196,968	26,769	-	223,737	235,258	(11,521)
NUNAVUT HOUSING CORPORATION						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	269,369	-	-	269,369	269,369	-
Other	-	-	-	-	-	-
	269,369	-	-	269,369	269,369	-
Capital expenditures	82,669	-	-	82,669	82,669	-
Total spending under appropriations	352,038	-	-	352,038	352,038	-
NUNAVUT ARCTIC COLLEGE						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	42,446	1,800	-	44,246	44,246	-
Other	-	-	-	-	-	-
	42,446	1,800	-	44,246	44,246	-
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	42,446	1,800	-	44,246	44,246	-
TOTALS						
Operations and maintenance						
Compensation and benefits	693,275	733	(19,612)	674,396	654,756	19,640
Grants and contributions	609,755	6,220	1,071	617,046	598,627	18,419
Other	831,533	110,449	18,541	960,523	1,024,155	(63,632)
	2,134,563	117,402	-	2,251,965	2,277,538	(25,573)
<i>Less: Principal repayments on capital leases included in spending above</i>	6,266	-	-	6,266	6,266	-
<i>Less: Principal repayments on Nunavut Energy Management Program Project included in spending above</i>	2,061	-	-	2,061	2,430	(369)
<i>Less: Principal repayments on the Iqaluit International Airport included in spending above</i>	2,395	-	-	2,395	2,395	-
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,123,841	117,402	-	2,241,243	2,266,447	(25,204)
<i>Plus: Amortization expenses on tangible capital assets</i>	81,602	-	-	81,602	93,559	(11,957)
<i>Plus: Accretion expense on asset retirement obligations</i>	-	-	-	-	508	(508)
<i>Plus: Asset retirement obligations (gain) loss</i>	-	-	-	-	-	-
<i>Plus: Write-down of tangible capital assets</i>	-	-	-	-	-	-
Total operations and maintenance expenses	2,205,443	117,402	-	2,322,845	2,360,514	(37,669)
Capital expenditures	355,772	280,676	-	636,448	277,765	358,683
<i>Less: Transfers to tangible capital assets</i>	133,011	-	-	133,011	89,748	43,263
Total capital expenses	222,761	280,676	-	503,437	188,017	315,420
Total appropriation expenses	2,428,204	398,078	-	2,826,282	2,548,531	277,751

Total capital expenditures above includes capital grants and contributions of \$123,203 (2024 - \$147,729).

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule B.2

Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

By Department	Original Budget	Actual	(Over) Under Original Budget
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	6,304	3,868	2,436
Finance	-	1,149	(1,149)
Human Resources	5,000	2,940	2,060
Justice	4,622	5,598	(976)
Culture and Heritage	9,658	9,501	157
Education	21,676	28,627	(6,951)
Health	174,797	242,424	(67,627)
Environment	4,125	7,387	(3,262)
Community and Government Services	112,885	48,082	64,803
Economic Development and Transportation	47,817	17,503	30,314
Family Services	10,674	11,099	(425)
	397,558	378,177	19,381

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	23,582	41,020	(17,438)
Grants and contributions	31,649	86,143	(54,494)
Other	183,532	236,627	(53,095)
Operations and maintenance expenses before amortization	238,763	363,790	(125,027)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	238,763	363,790	(125,027)
Capital expenditures	158,795	75,372	83,423
Less: Transfers to tangible capital assets	-	60,985	(60,985)
Total capital expenses	158,795	14,387	144,408
Total third-party agreement expenses	397,558	378,177	19,381

Total capital expenditures above includes capital grants and contributions of \$14,387 (2024 - \$33,752).

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded by Revolving Funds (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

By Revolving Fund	Original Budget	Actual	(Over) Under Original Budget
Liquor	8,844	6,896	1,948
Petroleum Products	42,728	35,102	7,626
Public Stores	2,000	3,623	(1,623)
Student Loan	658	937	(279)
	54,230	46,558	7,672

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	8,930	8,873	57
Grants and contributions	163	-	163
Other expenses	45,137	37,685	7,452
Operations and maintenance expenses before amortization	54,230	46,558	7,672
Plus: Amortization expenses on tangible capital assets (1)	-	-	-
Total operations and maintenance expenses	54,230	46,558	7,672
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	54,230	46,558	7,672

(1) Petroleum Products amortization of \$1,066 (2024 - \$1,409) is included in the budget and actuals totals for Department of Community and Government Services on Sch. B.1.

GOVERNMENT OF NUNAVUT

Schedule C

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

	Buildings	Leased Buildings	Infrastructure	Tank Farms	Vehicles	Equipment	2025	2024
Cost								
Opening balance *	1,581,704	177,996	478,020	225,011	10,869	148,171	2,621,771	2,665,416
Additions	-	-	-	-	1,969	5,215	7,184	11,846
Additions In Kind	-	-	-	-	-	-	-	-
Transferred from work in progress	87,583	-	-	-	-	-	87,583	1,048
Adjustments**	(25)	-	-	-	-	-	(25)	(54,994)
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(75)	-	(75)	(1,545)
Write-downs	-	-	-	-	-	-	-	-
Closing balance	1,669,262	177,996	478,020	225,011	12,763	153,386	2,716,438	2,621,771
Accumulated amortization								
Opening balance *	(712,430)	(141,049)	(155,182)	(129,442)	(6,816)	(137,588)	(1,282,507)	(1,247,969)
Amortization *	(57,371)	(6,359)	(16,033)	(7,742)	(1,619)	(4,434)	(93,558)	(90,481)
Adjustments	21	-	-	-	-	-	21	55,332
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	75	-	75	611
Write-downs	-	-	-	-	-	-	-	-
Closing balance	(769,780)	(147,408)	(171,215)	(137,184)	(8,360)	(142,022)	(1,375,969)	(1,282,507)
Work in progress								
Opening balance	214,823	-	10,253	-	-	-	225,076	89,407
Additions	136,751	-	6,123	674	-	-	143,548	136,717
Transferred to cost	(87,583)	-	-	-	-	-	(87,583)	(1,048)
Closing balance	263,991	-	16,376	674	-	-	281,041	225,076
Net book value	1,163,473	30,588	323,181	88,501	4,403	11,364	1,621,510	1,564,340
Estimated useful life	30 Years	30 Years	30 Years	30 Years	30 Years	5-30 Years		

The tangible capital asset additions presented in the Statement of Cash Flow excludes non-cash acquisitions totalling \$41,713 (2024 - \$34,986) which represent unpaid purchases and holdbacks that are included in accounts payables and accrued liabilities as well as the liability for the Nunavut Energy Management Program at March 31, 2025.

* As of April 1, 2025, the Government recognized a liability related to Asset Retirement Obligations related to asbestos remediation. As a result, an increase of \$4,135 to the buildings tangible capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$3,381 to accumulated amortization, representing the amortization had the liability originally been recognized has been recorded.

** Asset retirement cost impact of revisions in estimated cash flows on the asset retirement obligation due to a change in the discount rate during the year.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****Schedule 1****Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)****for the year ended March 31, 2025***(in thousands of dollars)*

Department	Over Accruals	Other Recoveries	Total
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	-	47	47
Finance	-	11,197	11,197
Human Resources	-	144	144
Justice	-	1,089	1,089
Culture and Heritage	51	177	228
Education	3,079	1,156	4,235
Health	2,937	213	3,150
Environment	90	8	98
Community and Government Services	694	1,554	2,248
Economic Development and Transportation	2	717	719
Family Services	2,526	188	2,714
	9,379	16,490	25,869

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 2

**Non-Consolidated Schedule of Special Warrants (unaudited)
for the year ended March 31, 2025**
(in thousands of dollars)

	Date of FMB Approval	Amount Authorized
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OPERATIONS AND MAINTENANCE

There were no Special Warrants during the year.

Total operations and maintenance		-
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	Date of FMB Approval	Amount Authorized
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CAPITAL

There were no Special Warrants during the year.

Total capital		-
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PUBLIC ACCOUNTS

Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000 (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

	Transfers to (from)	Explanation
OPERATIONS AND MAINTENANCE		
Executive and Intergovernmental Affairs		
Directorate	875	
Strategic Planning	(150)	
Strategic Planning	(50)	
Strategic Planning	(120)	Budget Reallocation
Directorate	(130)	
Intergovernmental Relations	(200)	
Devolution Secretariat	(225)	
Directorate	250	
Intergovernmental Relations	250	
Strategic Planning	100	
Directorate	(100)	Budget Reallocation
Directorate	(50)	
Strategic Planning	(150)	
Strategic Planning	(150)	
Strategic Planning	(150)	
Human Resources		
Strategic Management	(118.0)	
Strategic Management	(200)	
Strategic Management	(176)	
Strategic Management	(6)	Budget Reallocation
Human Resource Operations	300.0	
Human Resource Operations	200	
Strategic Management	(132)	
Strategic Management	(205)	
Strategic Management	(299)	
Strategic Management	(71)	Budget Reallocation
Human Resource Operations	400	
Human Resource Operations	307	
Strategic Management	(80)	
Strategic Management	(178)	
Strategic Management	(95)	Budget Reallocation
Strategic Management	(47)	
Human Resource Operations	400	
Culture & Heritage		
Inuit Tunngavingit	(350)	
Inuit Tunngavingit	(100)	
Heritage	54	
Heritage	36	Budget Reallocation
Heritage	160	
IQ in Government	50	
Translation Bureau	150	

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000 (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

Education

Corporate Services	2,000	
K-12 School Operations	(200)	Budget Reallocation
K-12 School Operations	(225)	
K-12 School Operations	(225)	
K-12 School Operations	(250)	
K-12 School Operations	(150)	
K-12 School Operations	(150)	

Health

Health Care Service Delivery Directorate	3,000 (3,000)	Reclassify Funds
Health Care Service Delivery Directorate	(510) 510	Transfer of Funds
Directorate Health Care Service Delivery	5,000 (5,000)	Transfer of Funds
Public Health Health Care Service Delivery	500 (500)	Transfer of Funds
Directorate Health Care Service Delivery	4,235 (4,235)	Transfer of Funds

Community and Government Services

Infrastructure Local Government Services	367 (367)	Permanent Position Transfers
Directorate Infrastructure	540 (540)	Transfer of Funds
CGS Corporate Services Local Government Services Infrastructure Local Government Services	100 247 472 (819)	Permanent Position Transfers
Infrastructure Local Government Services	358 (358)	Permanent Position Transfers
Infrastructure Local Government Services	448 (448)	Permanent Position Transfers
Infrastructure Local Government Services	382 (382)	Permanent Budget Transfers
Infrastructure Local Government Services Infrastructure	2,700 (1,600) (1,100)	Transfer of Funds
Infrastructure Local Government Services	1,100 (1,100)	Transfer of Funds

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000 (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

Economic Development & Transportation

Transportation	600	
Corporate Management	(200)	Budget Reallocation
Transportation	(400)	
Corporate Management	2,000	
Transportation	2,000	
Economic Development	1,000	
Corporate Management	(2,700)	Budget Reallocation
Transportation	(1,300)	
Economic Development	(1,000)	

Family Services

Corporate Management	5	
Family Wellness	828	
Poverty Reduction	3,500	
Family Wellness	(55)	Budget Reallocation
Income Assistance	(57)	
Career Development	(57)	
Poverty Reduction	(4,164)	

CAPITAL

Justice

Corrections	2,239	
Directorate	(2,239)	Reallocation of funds

Community & Government Services

CGS - Capital	(350)	
Petroleum Products Division	350	Reallocation of funds
CGS - Capital	(1,000)	
Petroleum Products Division	1,000	Reallocation of funds

**Non-Consolidated Schedule of Write-offs and Student Loan Remissions (unaudited)
for the year ended March 31, 2025**

Under subsection 26(1) of the *Financial Administration Act* any remissions or write-offs over \$500 must be disclosed in the Public Accounts.

WRITE-OFFS

No amounts were written off during the year.

STUDENT LOAN REMISSIONS

Under the *Student Financial Assistance Regulations*, the Government may forego collection of students' loans, provided certain criteria are met. Students, having met the academic and the employment or residency criteria, qualify for and are granted remission of their loans.

No amounts were remitted during the year.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 5

Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)

for the year ended March 31, 2025

(in thousands of dollars)

	2026	2027	2028	2029	2030	>2030	Total
Headquarters	11,438	10,191	7,792	7,437	6,867	23,483	67,208
Qikiqtaaluk	1,605	1,065	697	231	129	183	3,910
Kivalliq	9,964	4,153	2,570	1,591	1,297	1,671	21,246
Kitikmeot	2,341	2,092	1,051	1,051	1,051	4,555	12,141
	25,348	17,501	12,110	10,310	9,344	29,892	104,505